

SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE FIRST QUARTER AND THREE MONTHS ENDED 30 JUNE 2019

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER [30/06/2019] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [30/06/2018] RM'000	CHANGES (AMOUNT/ %)	CURRENT YEAR QUARTER [30/06/2019] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [30/06/2018] RM'000	CHANGES (AMOUNT/ %)
1 Revenue	10,104	6,269	61%	10,104	6,269	61%
2 Operating profit/ (loss)	(2,724)	(2,634)	-3%	(2,724)	(2,634)	-3%
3 Profit/ (Loss) Before Interest and Tax	(2,724)	(2,634)	-3%	(2,724)	(2,634)	-3%
4 Profit / (Loss) before taxation	(2,874)	(2,676)	-7%	(2,874)	(2,676)	-7%
5 Profit / (Loss) for the year	(2,874)	(2,676)	-7%	(2,874)	(2,676)	-7%
6 Profit / (Loss) attributable to owners of the Company	(2,874)	(2,676)	-7%	(2,874)	(2,676)	-7%
7 Basic earning / (loss) per share (sen)	(0.68)	(0.64)		(0.68)	(0.64)	
8 Proposed/Declared dividend per share (sen)	-	-		-	-	
	AS AT END OF CURRENT QUARTER			AS AT PRECEDING FINANCIAL YEAR END		
9 Net assets per share attributable to owners of the Company (RM)		0.03			0.04	

ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER [30/06/2019] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [30/06/2018] RM'000	CHANGES (AMOUNT/ %)	CURRENT YEAR QUARTER [30/06/2019] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [30/06/2018] RM'000	CHANGES (AMOUNT/ %)
1 Gross interest income	65	101	-36%	65	101	-36%
2 Gross interest expense	113	38	197%	113	38	197%

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND THREE MONTHS ENDED 30 JUNE 2019**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER
	[30/06/2019] RM'000	[30/06/2018] RM'000	[30/06/2019] RM'000	[30/06/2018] RM'000
Revenue	10,104	6,269	10,104	6,269
Operating expenses	(12,898)	(9,010)	(12,898)	(9,010)
Other operating income	70	107	70	107
Operating profit / (loss)	(2,724)	(2,634)	(2,724)	(2,634)
Finance costs	(150)	(42)	(150)	(42)
Profit / (Loss) before tax	(2,874)	(2,676)	(2,874)	(2,676)
Taxation	-	-	-	-
Profit / (Loss) for the year	(2,874)	(2,676)	(2,874)	(2,676)
Other comprehensive income/(loss):				
Foreign currency translation differences	(3)	(19)	(3)	(19)
Other comprehensive income/(loss) for the year, net of tax	(3)	(19)	(3)	(19)
Total comprehensive income / (loss) for the year	(2,877)	(2,695)	(2,877)	(2,695)
Profit / (Loss) for the year attributed to :				
Owners of the Company	(2,874)	(2,676)	(2,874)	(2,676)
Non-controlling interest	-	-	-	-
	(2,874)	(2,676)	(2,874)	(2,676)
Total comprehensive income / (loss) attributable to:				
Owners of the Company	(2,877)	(2,695)	(2,877)	(2,695)
Non-controlling interest	-	-	-	-
	(2,877)	(2,695)	(2,877)	(2,695)
Earning / (Loss) per share :				
- basic (sen)	(0.68)	(0.64)	(0.68)	(0.64)
- diluted (sen)	N/A	N/A	N/A	N/A

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
Net assets per share (RM)	0.03	0.04

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	As at 30.06.2019 (Unaudited) RM'000	As at 31.3.2019 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	3,423	3,604
Right of use assets	2,170	-
Intangible assets	1,937	1,668
	<u>7,530</u>	<u>5,272</u>
Current Assets		
Inventories	297	298
Trade receivables	9,850	13,372
Other receivables	1,991	2,053
Contract assets	854	455
Amount due from related companies	249	158
Tax recoverable	139	204
Deposits, cash and bank balances	9,301	11,321
	<u>22,681</u>	<u>27,861</u>
TOTAL ASSETS	<u>30,211</u>	<u>33,133</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	43,863	43,863
Merger deficit	(13,509)	(13,509)
Foreign exchange reserve	114	117
Retained profit / (Accumulated losses)	(18,166)	(15,292)
	<u>12,302</u>	<u>15,179</u>
Non-controlling interest	141	141
Total equity	<u>12,443</u>	<u>15,320</u>
Non-current liabilities		
Long term borrowings	84	92
Lease Liabilities	804	-
	<u>888</u>	<u>92</u>
Current Liabilities		
Trade payables	1,905	2,538
Other payables	3,375	3,453
Contract liabilities	2,826	4,285
Short term borrowings	6,922	7,174
Lease Liabilities	1,388	-
Amount due to a related company	451	258
Provision for taxation	13	13
Total current liabilities	<u>16,880</u>	<u>17,721</u>
Total liabilities	<u>17,768</u>	<u>17,813</u>
TOTAL EQUITY AND LIABILITIES	<u>30,211</u>	<u>33,133</u>
Net assets per share (RM)	<u>0.03</u>	<u>0.04</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER AND THREE MONTHS ENDED 30 JUNE 2019

	←----- Attributable to the Owners of the Company ----->						
	←----- Non-distributable ----->			Retained	Non-		
	Share Capital RM'000	Share premium RM'000	Merger deficit RM'000	Foreign exchange reserve RM'000	profit/ (Accumulated losses) RM'000	Total RM'000	
						controlling interest RM'000	Total Equity RM'000
At 1 April 2019	43,863	-	(13,509)	117	(15,292)	15,179	15,320
Loss for the financial year	-	-	-	-	(2,874)	(2,874)	(2,874)
Foreign currency translation loss of foreign operations	-	-	-	(3)	-	(3)	(3)
Total comprehensive loss for the year	-	-	-	(3)	(2,874)	(2,877)	(2,877)
At 30 June 2019	43,863	-	(13,509)	114	(18,166)	12,302	12,443

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2019

<----- Attributable to the Owners of the Company ----->
<----- Non-distributable ----->

	Share Capital RM'000	Share premium RM'000	Merger deficit RM'000	Foreign exchange reserve	Retained profit/ (Accumulated losses) RM'000	Total	Non- controlling Interest RM'000	Total Equity RM'000
At 1 April 2018	43,863	-	(13,509)	40	(3,467)	26,927	3	26,930
Loss for the financial year	-	-	-	-	(11,836)	(11,836)	(1)	(11,837)
Foreign currency translation loss of foreign operations	-	-	-	77	-	77	-	77
Total comprehensive loss for the year	-	-	-	77	(11,836)	(11,759)	(1)	(11,760)
Transactions with owners :								
Non-controlling interest arising from increase of share capital of a subsidiary	-	-	-	-	11	11	139	150
Total transactions with owners	-	-	-	-	11	11	139	150
At 31 March 2019	43,863	-	(13,509)	117	(15,292)	15,179	141	15,320

Note 1

Note 1:

On 2 April 2018, the issued share capital of Tamadun was increased from 10,000 ordinary shares to 500,000 ordinary shares and the new shares shall rank pari passu in all respects with the existing ordinary shares. On the same date, Tamadun had disposed 150,000 ordinary shares to an outside corporation for a consideration of RM150,000, representing 30% of the equity interest in Tamadun and thereafter, the Group's shareholding in Tamadun was reduced from 100% to 70%.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
AS AT 30 JUNE 2019

	30.06.2019 (Unaudited) RM'000	31.03.2019 (Audited) RM'000
Cash Flow from Operating Activities		
Loss before taxation	(2,874)	(11,824)
Adjustment for :-		
Non-cash items	669	2,755
Non-operating items	48	(46)
Operating loss before working capital changes	<u>(2,157)</u>	<u>(9,115)</u>
Increase in inventories	(10)	(15)
Decrease / (Increase) in receivables	3,585	(1,760)
Increase in contract asset	(399)	(455)
Increase in right of use assets	(2,520)	-
(Decrease) / increase in payables	(711)	1,343
(Increase) / decrease in contract liabilities	(1,459)	4,285
(Increase) / decrease in amount due from related companies	(91)	446
Increase in amount due to a related company	193	258
Cash used in operations	<u>(3,569)</u>	<u>(5,013)</u>
Tax paid	(35)	(98)
Tax refunded	100	124
Interest received	65	294
Interest paid	(113)	(248)
Net cash used in operating activities	<u>(3,552)</u>	<u>(4,941)</u>
Cash flow from Investing Activities		
Purchase of plant and equipment	(26)	(2,492)
Purchase of intangible assets	(336)	(1,586)
Proceed from disposal of plant and equipment	-	2
Proceeds from issuance of shares in a subsidiary to non controlling interest	-	150
Net cash used in investing activities	<u>(362)</u>	<u>(3,926)</u>
Cash flow from Financing Activities		
(Repayment) / drawdown of borrowings	(600)	(1,799)
Lease liabilities	2,158	-
Payment of hire purchase liabilities	(7)	(30)
Net cash generated / (used in) from financing activities	<u>1,551</u>	<u>(1,829)</u>
Net decrease in cash and cash equivalents	<u>(2,363)</u>	<u>(10,696)</u>
Effect of exchange rate fluctuations	<u>(3)</u>	<u>77</u>
Cash and cash equivalents at beginning of the year	<u>9,846</u>	<u>20,465</u>
Cash and cash equivalents at end of the period	<u><u>7,480</u></u>	<u><u>9,846</u></u>

Cash and cash equivalents at end of the period comprise the following:

	As at 30.06.2019 RM'000	As at 31.03.2019 RM'000
Deposits with licensed commercial banks	7,716	7,641
Cash and bank balances	1,586	3,680
	<u>9,302</u>	<u>11,321</u>
Short Term Borrowing :		
-Overdraft	(1,822)	(1,475)
Cash and cash equivalents	<u><u>7,480</u></u>	<u><u>9,846</u></u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

1. Basis of preparation

The interim financial statements are audited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”). The condensed consolidated interim financial statements also comply with International Accounting Standard 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”) and the provisions of the Companies Act 2016 in Malaysia.

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 March 2019. The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 March 2019 except for the adoption of the following new and revised Malaysian Financial Reporting Standards (“MFRS”), Amendments to MFRSs and IC Interpretations:

Amendments to MFRSs and IC Interpretation

MFRS 9: Financial Instruments (IFRS 9 as issued by in July 2014)
MFRS 15: Revenue from Contracts with Customers
Classification to MFRS 15, Revenue from Contracts with Customers
Amendment to MFRS 2: Classification and Measurement of Share-based payment transaction
Amendment to MFRS 140- Transfers of Investment Property
Classified as “Annual Improvement to MFRSs 2014-2016 Cycle”
-Amendment to MFRS 128 – Investment in Associates and Joint Ventures
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
MFRS 16 Leases

MFRS16 will supersede the existing MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases – Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and it sets out the principles for the recognition, measurement, presentation and disclosures of leases.

The new MFRS 16 introduces a single accounting model and requires a lessee to recognise assets and liabilities for the rights and obligations arising from all leases and hence eliminates the distinction between finance leases and operating leases. As a consequence, a lessee recognises the right-of-use assets and lease liabilities arising from this operating leases. The right-of-use asset is depreciated in accordance with the principle in MFRS 116 Property, Plant and Equipment and the lease liability is accreted over time with interest expense recognise in profit or loss.

The Group, as a lessee has operating leases for office premises and is required to recognise the lease assets as right-of-use assets and the corresponding lease liabilities in its financial statements in the initial period of application of MFRS 16. The charge of operating lease rental on a straight line basis to profit or loss is replaced with the appropriate depreciation on the right-of-use assets and interest expense on the lease liabilities. Leases are recognized as right-of-use assets and corresponding lease liabilities at the date of which the leased assets are available for use by the Group. Lease liabilities are based on the present value of future lease payments calculated using the incremental borrowing rate. Lease payments would be split into principal and interest payments, using the effective interest method. Correspondingly, the right-of-use (“ROU”) assets are based on the present value of the lease liabilities at the commencement date of the lease. The ROU asset will be depreciated on a straight-line basis over the lease term of the leased asset.

Amendments to MFRSs and IC Interpretation (Con'd)

The effect arising from the adoption of MFRS16 is disclosed as below:

Adoption of MFRS16 Leases	As previously reported 31 March 2019	Adjustment	As reported under MFRS 16 Leases 1 April 2019
	RM'000	RM'000	RM'000
Non current assets			
Right of use assets	-	2,520	2,520
Current Liabilities			
Lease Liabilities	-	1,360	1,360
Non-current liabilities			
Lease Liabilities	-	1,160	1,160

The Group has adopted the changes in accounting policies for MFRS 16 Leases on 1 April 2019 and applied the simplified transition approach in accordance with the transition requirements, comparatives are not restated.

The adoption of the new and revised MFRSs and IC Interpretations and their amendments did not result in any significant effect on the financial position and financial performance of the Group and of the Company.

The Group has not adopted the following standards and interpretations that have been issued but are not yet effective:

(a) Effective for financial periods beginning on or after 1 January 2019

- Amendments to MFRS 128 – Long term interest in Associates and Joint Ventures
- Amendment to MFRS 9 – Prepayment Features with Negative Compensation
- Amendments to MFRS 119 – Plan Amendment Curtailment or Settlement
- Amendment to MFRSs Classified as “Annual Improvements to MFRS Standard 2015-2017 Cycle”:
- Amendment to MFRS 3, Business Combination and MFRS 11, Joint Arrangement –Previously Held interest in a Joint Operation,
- Amendment to MFRS 112 Income Tax- Income tax Consequences of Payment on Financial Instrument Classified as Equity
- Amendment to MFRS 123, Borrowing Cost- Borrowing Costs Eligible for Capitalisation
- IC Interpretation 23 Uncertainty over Income Tax Treatment.

Amendments to MFRSs and IC Interpretation (Con'd)

(b) Effective for financial periods beginning on or after 1 January 2020

- Amendments to MFRS 3 - Definition of a Business
- Amendments to MFRS 101 and Amendments to MFRS 108 - Definition of Material

(c) Effective for financial periods beginning on or after 1 January 2021

- Amendments to MFRS 17 – Insurance Contracts

(d) Effective for annual periods beginning on or after a date to be determined by MASB

- Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

2. Audit qualification of the preceding annual financial statement

The Auditors' Report of the Group's Annual Financial Statements for the financial year ended 31 March 2019 was not subject to any qualification.

3. Seasonality or cyclicity of the operations

The Group does not experience any seasonal or cyclical sales cycle. However, there may be fluctuations between the quarters due to the nature of the system integration businesses which are secured on a project-by-project basis.

4. Material unusual items

There were no material unusual or exceptional items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

5. Changes in estimates

There were no changes in accounting estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.

6. Issuances, cancellation, repurchase, resale and repayment of debt and equity securities

There was no cancellation, repurchase, resale and repayment of debt and equity securities in the current quarter.

7. Dividend paid

No dividend was paid by the Company since the end of the previous financial year.

8. Segmental information

The Group's segmental reporting by business segment as at 30 June 2019 is as follows: -

BUSINESS SEGMENT	EXTERNAL SALES RM'000	INTERSEGMENT SALES RM'000	ELIMINATION RM'000	GROUP SALES RM'000
(a) <i>IT Related Products and Services and Trading</i>	9,891	47	(47)	9,891
(b) <i>Payment Solutions & Services</i>	213			213
SALES BY SEGMENT	10,104	47	(47)	10,104
(a) <i>IT Related Products and Services and Trading</i>	(2,794)		1,811	(983)
(b) <i>Payment Solutions & Services</i>	(170)			(170)
SEGMENT RESULTS	(2,964)	-	1,811	(1,153)
Interest income				65
Unallocated expenses				(1,673)
Loss from operations				(2,761)
Interest expenses				(113)
Loss before taxation				(2,874)
Taxation				-
Loss after taxation				(2,874)

9. Valuation of property, plant and equipment

The Group has not revalued its property, plant and equipment.

10. Significant events

There were no significant events which occurred during the current quarter under review.

11. Effects of changes in the composition of the Group

On 25 June 2019, the Group has announced that a wholly-owned subsidiary of Dataprep Holdings Bhd (“DHB”), Dataprep International (Labuan) Ltd has incorporated a company in Indonesia, PT Dataprep Teknologi Indonesia (“PTDITI”) with shareholding of 65%.

The Ministry of Law and Human Rights of the Republic of Indonesia, pursuant to its decision (Daftar Perseroan No.AHU-0098106.AH.01.11.Tahun 2019) dated 25 June 2019 has approved the deed of establishment of PT Dataprep Teknologi Indonesia resulting in PTDITI being duly established and granted its legal entity status.

The incorporation of PTDITI is to expand the business capacity in Indonesian market and to work further following the recent strategic collaboration with PT Asia Pelangi Remiten in Information and Communication Technologies (ICT) areas.

PTDITI is a limited liability company with an authorised share capital of USD250,000 comprising 250,000 shares each having a nominal value of USD1.00. The estimated total issued and paid-up capital is USD250,000, to be subscribed by one of the Company's wholly owned investment holding company and one Indonesian company as follows – Dataprep International (Labuan) Ltd – 162,500 shares (65%) and PT Asia Pelangi Remiten – 87,500 shares (35%). The issued capital of PTDITI will be increased as and when necessary to support the business growth. The intended principal activity of PTDITI is conducting the business of sales and marketing of its ICT products, software and services for the Indonesian market. The business will be located in Kota Jakarta Selatan.

The incorporation of PTDITI is not expected to have any material impact on the Group's earnings, net assets and gearing of DHB for the financial year ending 31 March 2020. The incorporation will also not have any effects on the issued share capital and substantial shareholders' of DHB.

12. Changes in contingent liabilities (Secured)

Contingent Liabilities :-	Group		
	30.06.2019 RM'000	31.03.2019 RM'000	Increase/ (decrease) RM'000
Corporate guarantee given to financial institutions for performance guarantee of a subsidiary (secured)	595	570	25
	595	570	25

13. Review of performance

a. Comparison of results for the current quarter with the preceding year corresponding quarter

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER [30/06/2019] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [30/06/2018] RM'000	CHANGES (AMOUNT/ %)	CURRENT YEAR QUARTER [30/06/2019] RM'000	PRECEDING YEAR CORRESPONDING QUARTER [30/06/2018] RM'000	CHANGES (AMOUNT/ %)
Revenue	10,104	6,269	61%	10,104	6,269	61%
Operating profit / (loss)	(2,724)	(2,634)	-3%	(2,724)	(2,634)	-3%
Profit / (Loss) Before Interest and Tax	(2,724)	(2,634)	-3%	(2,724)	(2,634)	-3%
Profit / (Loss) before taxation	(2,874)	(2,676)	-7%	(2,874)	(2,676)	-7%
Profit / (Loss) for the year	(2,874)	(2,676)	-7%	(2,874)	(2,676)	-7%
Profit / (Loss) attributable to owners of the Company	(2,874)	(2,676)	-7%	(2,874)	(2,676)	-7%

The Group's revenue for the current quarter of RM10.10 million was higher than the preceding year corresponding quarter of RM6.27 million due to more delivery services projects secured.

The loss before taxation of RM2.87 million in the current quarter as against loss before taxation of RM2.68 million in the preceding year corresponding quarter was due to lower margin from delivery services projects and higher payroll expenses.

The performance of the business segments for the current quarter as compared to the preceding year corresponding quarter is as follows:-

IT Related Products and Services and Trading

The revenue for the current quarter of RM9.89 million was higher than the preceding year corresponding quarter of RM6.04 million was due to more delivery services projects secured.

The loss before taxation of RM0.99 million in the current quarter as against a loss before taxation of RM1.07 million in the preceding year corresponding quarter was due to lower margin from delivery services projects and higher payroll expenses.

Payment Solutions and Services

The revenue decreased from RM0.23 million in the preceding year corresponding quarter to RM0.21 million in the current quarter due to lower number of terminals installed which resulted a loss before taxation of RM 0.17 million in the current quarter as against a loss before taxation of RM0.19 million in the preceding year corresponding quarter.

b. Assets and Liabilities

Total assets decreased from RM33.13 million as at 31 March 2019 to RM 30.21 million as at 30 June 2019 was due to lower cash and bank balances resulted from settlement of bank borrowings.

Total liabilities decreased from RM17.81 million as at 31 March 2019 to RM17.77 million as at 30 June 2019.

14. Comparison of results for the current quarter with the immediate preceding quarter

		CURRENT YEAR QUARTER [30/06/2019] RM'000	IMMEDIATE PRECEDING QUARTER [31/03/2019] RM'000	CHANGES (AMOUNT/%)
1	Revenue	10,104	9,253	9%
2	Operating profit / (loss)	(2,724)	(5,875)	54%
3	Profit / (Loss) Before Interest and Tax	(2,724)	(5,875)	54%
4	Profit / (Loss) before taxation	(2,874)	(5,979)	52%
5	Profit / (Loss) for the year	(2,874)	(5,992)	52%
6	Profit / (Loss) attributable to owners of the Company	(2,874)	(5,992)	52%

The Group's revenue for the current quarter was RM10.10 million as compared to the immediate preceding quarter of RM9.25 million due to more delivery services projects.

The Group recorded a loss before taxation of RM2.88 million in the current quarter as compared to a loss before taxation of RM5.99 million in the immediate preceding quarter. Higher loss before taxation in the immediate preceding quarter was due to impairment losses on trade receivables of RM2.2 million and higher payroll expenses resulted from increase of manpower for projects.

15. Prospects

The Group is participating in numerous tenders of large scale ICT products and services projects to increase revenue. We are progressing to identify new opportunities including the development of a niche 'make to purpose solution' e-wallet to enlarge business of payment solutions and services segment.

The Group has identified new opportunities and is collaborating with strategic partners, including overseas partners to participate in the followings:-

- Providing and marketing relevant ICT solutions and other related products by leveraging on partnership's strength;
- Providing consultancy and marketing related field that include Artificial Intelligence (AI) and Internet of Things (IOT) for various industries;
- Providing the highest level of technical support in areas where it can benefit each other;
- Planning to work strategically in partnership on potential projects in Malaysia; and
- Any other areas of co-operation that would benefit the Group.

The Group will emphasize on its core strength of providing quality services to customers and offering of solutions, support network and maintenance services nationwide with its existing expertise of technicians and engineers to secure more projects. We are also leveraging on the synergies among related companies which are involved in diverse market segments such as integrated facility management, construction, property development, education, hospitality management, media and publication for project opportunities.

The strategic direction of the Group would be centered around improving profitability of the bottom line and increasing revenue of all segments, by leveraging on the upcoming new business opportunities and to focus on securing more projects with better profit margin.

16. Taxation

There was no provision for taxation in the current quarter due to the Group has sufficient unutilised tax losses and unabSORBED capital allowances.

17. Status of corporate exercise

On 29 October 2018, the Company has announced that it proposes to undertake a private placement of up to 42,139,500 new ordinary shares in the Company (“Placement Shares”), representing up to 10% of the issued and paid-up share capital of the Company (“Proposed Private Placement”) pursuant to Sections 75 and 76 of the Companies Act 2016. The Placement Shares shall be placed to third party investors to be identified and at an issue price to be determined at a later date. The proceeds to be raised from the proposed private placement shall be utilised for repayment of bank borrowings, working capital requirements and to settle the expenses for the corporate exercise.

The Company's application for the listing of and quotation for the Placement Shares was approved by Bursa Malaysia Securities Berhad (“Bursa Securities”) on 29 November 2018.

On 10 May 2019, the Company further announced that the Company has submitted an application to Bursa Securities for an extension of approximately 6 months up to 28 November 2019 for the Company to complete the implementation of the Proposed Private Placement. On 17 May 2019, the Company announced that Bursa Securities vide its letter dated 16 May 2019 has approved the aforesaid application for extension of time to 28 November 2019 for the completion of the exercise.

Subsequent to the quarter, on 4 July 2019, the Company announced that the Board has fixed the issue price for the first tranche of the Placement Shares at RM0.17 each (“Issue Price”). The Issue Price represents a discount of approximately RM0.0185 or 9.81% to the 5-day volume weighted average market price of DHB Shares up to and including 3 July 2019 of RM0.1885 per DHB Share.

The first tranche of the Placement Shares were listed and quoted on the Main Market of Bursa Securities on 11 July 2019 as announced on 10 July 2019. The issuance of the Placement Shares of 6,000,000 at RM0.17 each has increased the issued and paid-up share capital of the Company from RM43,863,470.84 representing 421,395,824 ordinary shares to RM44,883,470.84 representing 427,395,824 ordinary shares and raised proceeds of RM1,020,000.

The first tranche proceeds raised of RM1,020,000 from the Private Placement were utilized in July 2019 as follows:-

	RM
Repayment of bank borrowings	369,000
Working capital requirements	609,469
Settlement of expenses for the corporate exercise	41,531
	<u>1,020,000</u>

On 23 August 2019, the Company announced that it has fixed the issue price for the second tranche of the Placement Shares at RM0.17 each (“Issue Price”). The Issue Price represents a discount of approximately RM0.0049 or 2.80% to the 5-day volume weighted average market price of the Dataprep Holdings Bhd ‘s Shares (“DHB”) up to and including 22 August 2019 of RM0.1749 per DHB’s share.

18. Event subsequent to the end of reporting period

There were no subsequent events which occurred during the current quarter under review.

19. Group borrowings

The Group borrowings are as follows:

		As at 30.06.2019 RM'000	As at 31.03.2019 RM'000
Short Term Borrowings:			
Secured :			
- Banker acceptances		5,070	5,670
- Bank overdraft		1,822	1,475
- Hire purchase payables		30	29
Total Short Term Borrowings	A	6,922	7,174
Long Term Borrowings:			
Secured :			
- Hire purchase payables		84	92
Total Long Term Borrowings	B	84	92
Total Borrowings	(A + B)	7,006	7,266

All borrowings are denominated in Ringgit Malaysia.

20. Material litigation

There were no material litigation as at 30 June 2019.

21. Dividend proposed or declared

The directors do not recommend any dividend for the financial period under review.

22. Loss per share

(a) Basic

	Current Quarter Ended 30.06.2019	Cumulative Quarter Ended 30.06.2019
Loss attributable to owners of the Company (RM'000)	(2,874)	(2,874)
Weighted average number of shares in issue ('000)	421,396	421,396
Loss per share (sen)	(0.68)	(0.68)

(b) Diluted

There was no dilution effect on earnings per share for the current quarter.

23. Capital commitment

The Group has no material capital commitment as at 30 June 2019.

24. Notes to the Consolidated Statement of Comprehensive Income

Total comprehensive income for the period is arrived at after charging / (crediting)

	Current Quarter Ended 30.06.2019 RM'000	Cumulative Quarter Ended 30.06.2019 RM'000
Interest expense	113	113
Depreciation of plant and equipment	207	207
Amortisation of intangible assets	66	66
Allowance for obsolete inventories	11	11
and after crediting:		
Interest income	(65)	(65)

Other than as disclosed above, there were no (i) gain or loss on disposal of quoted or unquoted investment, (ii) gain or loss on derivatives and (iii) exceptional items for the current quarter ended 30 June 2019.

By Order of the Board
Dataprep Holdings Bhd

Geng Mun Mooi (MIA 8365)
Nor Fazieana Daud (MAICSA 7067115)
Leong Shiak Wan (MAICSA 7012855)
Zuriati Binti Yaacob (LS0009971)

Company Secretaries
27 August 2019