

DATAPREP HOLDINGS BHD (Company No. : 183059-H)

SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 30 JUNE 2007

| | | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--|------------------------------|--------------------------------------|------------------------------------|-------------------------------------|
| | | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
| | | [30/06/2007] RM'000 | [30/06/2006] RM'000 | [30/06/2007] RM'000 | [30/06/2006] RM'000 |
| 1 | Revenue | 19,671 | 17,503 | 19,671 | 17,503 |
| 2 | Profit before tax | 629 | 508 | 629 | 508 |
| 3 | Profit for the period | 735 | 330 | 735 | 330 |
| 4 | Profit attributable to ordinary equity holders of the Company | 432 | 297 | 432 | 297 |
| 5 | Basic earnings per share (sen) | 0.57 | 0.39 | 0.57 | 0.39 |
| 6 | Proposed/Declared Dividend per share (sen) | - | - | - | - |
| | | AS AT END OF CURRENT QUARTER | | AS AT PRECEDING FINANCIAL YEAR END | |
| 7 | Net assets per share attributable to ordinary equity holders of the Company (RM) | | 0.19 | | 0.19 |

ADDITIONAL INFORMATION

| | | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|------------------------|------------------------|--------------------------------------|------------------------|-------------------------------------|
| | | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
| | | [30/06/2007] RM'000 | [30/06/2006] RM'000 | [30/06/2007] RM'000 | [30/06/2006] RM'000 |
| 1 | Gross interest income | 72 | 74 | 72 | 74 |
| 2 | Gross interest expense | 429 | 300 | 429 | 300 |

DATAPREP HOLDINGS BHD (Company No. : 183059-H)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2007

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|-------------------------------|------------------------|--------------------------------------|------------------------|-------------------------------------|
| | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
| | [30/06/2007] RM'000 | [30/06/2006] RM'000 | [30/06/2007] RM'000 | [30/06/2006] RM'000 |
| Revenue | 19,671 | 17,503 | 19,671 | 17,503 |
| Operating Expenses | (18,967) | (16,800) | (18,967) | (16,800) |
| Other Operating Income | 354 | 105 | 354 | 105 |
| Profit from operations | 1,058 | 808 | 1,058 | 808 |
| Finance costs | (429) | (300) | (429) | (300) |
| Profit before tax | 629 | 508 | 629 | 508 |
| Taxation | 106 | (178) | 106 | (178) |
| Profit after tax | 735 | 330 | 735 | 330 |
| Attributed to : | | | | |
| Equity holders of the Company | 432 | 297 | 432 | 297 |
| Minority Interest | 303 | 33 | 303 | 33 |
| | 735 | 330 | 735 | 330 |
| Earnings/(loss) per share : | | | | |
| - basic (sen) | 0.57 | 0.39 | 0.57 | 0.39 |
| - diluted (sen) | N/A | N/A | N/A | N/A |
| Dividend per share (sen) | - | - | - | - |

| | AS AT END OF CURRENT QUARTER | AS AT PRECEDING FINANCIAL YEAR END |
|---------------------------|------------------------------|------------------------------------|
| Net assets per share (RM) | 0.19 | 0.19 |

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

DATAPREP HOLDINGS BHD (Company No. : 183059-H)

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2007

| | As at 30.06.2007 Unaudited RM'000 | As at 31.03.2007 Audited RM'000 |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 3,704 | 3,885 |
| Intangible assets | 4,108 | 4,222 |
| Deferred tax assets | 3,173 | 3,175 |
| | 10,985 | 11,282 |
| Current Assets | | |
| Inventories | 2,606 | 2,125 |
| Trade receivables | 51,656 | 51,750 |
| Other receivables | 7,833 | 8,106 |
| Tax recoverable | 269 | 207 |
| Deposits, cash and bank balances | 9,346 | 14,268 |
| | 71,710 | 76,456 |
| Total assets | 82,695 | 87,738 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 76,118 | 76,118 |
| Share premium | 15,738 | 15,738 |
| Merger deficit | (13,509) | (13,509) |
| Warrants | - | 3,030 |
| Capital reserve | 51 | 51 |
| Irredeemable Convertible Unsecured Loan | | |
| Stocks ("ICULS") - equity component | 28,566 | 28,566 |
| Accumulated losses | (92,269) | (95,731) |
| | 14,695 | 14,263 |
| Minority interests | 2,425 | 2,122 |
| Total equity | 17,120 | 16,385 |
| Non-current liabilities | | |
| Long term borrowings | 698 | 1,089 |
| | 698 | 1,089 |
| Current Liabilities | | |
| Trade payables | 32,593 | 38,923 |
| Other payables | 12,784 | 13,151 |
| Short term borrowings | 19,500 | 18,190 |
| Total current liabilities | 64,877 | 70,264 |
| Total liabilities | 65,575 | 71,353 |
| Total equity and liabilities | 82,695 | 87,738 |
| Net assets per share (RM) | 0.19 | 0.19 |

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

DATAPREP HOLDINGS BHD (Company No. : 183059-H)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2007

| | Attributable to the equity holders of the Company | | | | | | | Minority Interests | Total Equity | |
|---|---|----------------------------|-----------------------------|--------------------|------------------------------|--|-------------------------------|-----------------------|-----------------|-----------------|
| | Share Capital RM'000 | Share premium RM'000 | Merger deficit RM'000 | Warrants RM'000 | Capital reserve RM'000 | ICULS - Equity Component RM'000 | Accumulated loss RM'000 | | | Total RM'000 |
| At 1 April 2007 | 76,118 | 15,738 | (13,509) | 3,030 | 51 | 28,566 | (95,731) | 14,263 | 2,122 | 16,385 |
| Expiration of unexercised warrants Profit for the period | - | - | - | (3,030) | - | - | 3,030 | - | - | - |
| At 30 June 2007 | 76,118 | 15,738 | (13,509) | - | 51 | 28,566 | (92,269) | 14,695 | 2,425 | 17,120 |
| At 1 April 2006 | 76,118 | 15,738 | (13,509) | 3,030 | 51 | 28,566 | (97,681) | 12,313 | 1,810 | 14,123 |
| Profit for the period | - | - | - | - | - | - | 297 | 297 | 33 | 330 |
| At 30 June 2006 | 76,118 | 15,738 | (13,509) | 3,030 | 51 | 28,566 | (97,384) | 12,610 | 1,843 | 14,453 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

DATAPREP HOLDINGS BHD (Company No. : 183059-H)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2007**

| | Three Months Ended | |
|---|-------------------------|-------------------------|
| | 30.06.2007 RM'000 | 30.06.2006 RM'000 |
| Cash Flow from Operating Activities | | |
| Profit before tax | 629 | 508 |
| Adjustment for :- | | |
| Non-cash items | 188 | 328 |
| Non-operating items | 357 | 226 |
| Operating profit before working capital changes | <u>1,174</u> | <u>1,062</u> |
| Changes in working capital | (6,452) | (1,114) |
| Cash used in operations | <u>(5,278)</u> | <u>(52)</u> |
| Tax paid | (5) | (31) |
| Interest received | 17 | 14 |
| Interest paid | (200) | (252) |
| Net cash used in operating activities | <u>(5,466)</u> | <u>(321)</u> |
| Cash flow from Investing Activities | | |
| Acquisition of property, plant and equipment | (62) | (442) |
| Net cash used in investing activities | <u>(62)</u> | <u>(442)</u> |
| Cash flow from Financing Activities | | |
| Drawdown of borrowings | 5,442 | 4,838 |
| Repayment of borrowings | (7,121) | (4,965) |
| Payment of hire purchase liabilities | (386) | (26) |
| Repayment of liability portion of ICULS | (628) | - |
| Net cash used in financing activities | <u>(2,693)</u> | <u>(153)</u> |
| Net decrease in cash and cash equivalents | (8,221) | (916) |
| Cash and cash equivalents at beginning of the year | 13,430 | 13,994 |
| Cash and cash equivalents at end of the period | <u><u>5,209</u></u> | <u><u>13,078</u></u> |
| Cash and cash equivalents at end of the financial year comprise the following: | | |
| | As at 30.06.2007 | As at 30.06.2006 |
| | RM'000 | RM'000 |
| Deposits with licensed banks | 7,323 | 11,713 |
| Deposits with financial institution | - | 801 |
| Cash and bank balances | 2,023 | 3,450 |
| Deposits, Cash and Bank Balances | <u>9,346</u> | <u>15,964</u> |
| Less: Bank overdraft | (4,137) | (2,886) |
| Cash and cash equivalents | <u><u>5,209</u></u> | <u><u>13,078</u></u> |

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”).

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 March 2007. The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 March 2007, except for the adoption of new/revised Financial Reporting Standards FRS 117 Leases, FRS 124 Related Party Disclosures and amendment to FRS 119₂₀₀₄ Employee Benefits, Actuarial Gains and Losses, Group Plans and Disclosures, effective for financial period beginning 1 January 2007.

The adoption of the above FRS do not have significant impact on the financial statements.

2. Audit qualification of the preceding annual financial statement

The Auditors’ Report on the financial statements for the financial year ended 31 March 2007 was not qualified.

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 except as disclosed in Note 10(a).

5. Changes in estimates

There was no change in estimates of amounts reported in prior financial years.

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

For the current quarter ended 30 June 2007, there were no issuances, cancellation, repurchase, resale and repayment of debt and equity securities.

7. Dividends

No dividends were paid by the Company since the end of the previous financial year.

8. Segmental information

The Group's segmental reports are as follows: -

| 30 June 2007 | Consulting, Technology & Integration <u>RM'000</u> | Outsourcing & Managed Services <u>RM'000</u> | Business Process Outsourcing <u>RM'000</u> | Management Services <u>RM'000</u> | Elimination <u>RM'000</u> | Group <u>RM'000</u> |
|-------------------------------|---|---|---|---|------------------------------|------------------------|
| SALES | | | | | | |
| - External sales | 1,215 | 18,063 | 393 | - | - | 19,671 |
| - Intersegment sales | 322 | 10,247 | - | 1,070 | (11,639) | - |
| Total sales | 1,537 | 28,310 | 393 | 1,070 | (11,639) | 19,671 |
| RESULTS | | | | | | |
| Segment results | (96) | 1,839 | 151 | (1,004) | 98 | 988 |
| Interest income | | | | | | 72 |
| Unallocated expenses | | | | | | (2) |
| Profit from operations | | | | | | 1,058 |
| Interest expenses | | | | | | (429) |
| Profit before tax | | | | | | 629 |
| Taxation | | | | | | 106 |
| Profit after tax | | | | | | 735 |

| 31 March 2007 | Consulting, Technology & Integration <u>RM'000</u> | Outsourcing & Managed Services <u>RM'000</u> | Business Process Outsourcing <u>RM'000</u> | Management Services <u>RM'000</u> | Elimination <u>RM'000</u> | Group <u>RM'000</u> |
|-------------------------------|---|---|---|---|------------------------------|------------------------|
| SALES | | | | | | |
| - External sales | 2,146 | 15,325 | 32 | - | - | 17,503 |
| - Intersegment sales | - | 4,465 | - | 567 | (5,032) | - |
| Total sales | 2,146 | 19,790 | 32 | 567 | (5,032) | 17,503 |
| RESULTS | | | | | | |
| Segment results | (122) | 2,500 | (539) | (541) | (572) | 726 |
| Interest income | | | | | | 74 |
| Unallocated income | | | | | | 8 |
| Profit from operations | | | | | | 808 |
| Interest expenses | | | | | | (300) |
| Profit before tax | | | | | | 508 |
| Taxation | | | | | | (178) |
| Profit after tax | | | | | | 330 |

9. Valuation of property, plant and equipment

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

10. Significant events

(a) Warrants

The proceeds of RM3,030,303 resulted from the issuance of 15,151,515 detachable warrants at a price of RM0.20 per warrant on 28 June 2002 remained unexercised and had expired and lapsed on 27 June 2007. The warrant reserve of RM3,030,303 arising therefrom was credited to the accumulated losses of the Company.

(b) Par Value Reduction and Share Premium Reduction (“Capital Reduction”)

Pursuant to the Corporate Exercise as disclosed in Note 20, par value of the Company was reduced from RM1.00 per share to RM0.25 per share on 31 July 2007 and created a credit of RM57,008,565. Concurrently, share premium was reduced by RM15,667,287. Total credit arising from the Capital Reduction of RM72,675,852 was utilized to set-off the accumulated losses of the Company.

(c) 4% five (5) year Irredeemable Convertible Unsecured Loan Stocks (“4% ICULS-5”)

The 4% ICULS-5 had expired on 6 August 2007 and was mandatorily converted into ordinary shares of 89,467,157 of RM0.25 each at a conversion price of RM0.38 per ICULS. The premium arising from the conversion of 4% ICULS-5 of approximately RM6.2 million was credited to the share premium account.

(d) Dividend income received from HRM Business Consulting Sdn Bhd (“HRMBC”)

On 24 August 2007, a 51%-owned subsidiary, HRMBC, declared and paid an interim dividend of RM668,680 to all its shareholders of which RM341,026.80 was paid to the Company.

Apart from the above, there was no major significant event since the previous financial year ended 31 March 2007.

11. Effects of changes in the composition of the Group

There were no changes in the composition of the Group since the previous financial year ended 31 March 2007.

12. Changes in Contingent Liabilities (Unsecured)

| Unsecured Contingent Liabilities :- | Group | | |
|---|--------------------|--------------------|-----------------------------------|
| | 30.06.07 RM'000 | 31.03.07 RM'000 | Increase/ (decrease) RM'000 |
| Corporate guarantee given to financial institutions for : | | | |
| - Performance guarantees given to third parties | 5,814 | 5,288 | 526 |
| - Credit facilities granted to subsidiary | 181 | 135 | 46 |
| Total | 5,995 | 5,423 | 572 |

13. Review of performance

For the first quarter ended 30 June 2007, the Group recorded a revenue of RM19.7 million and achieved a pre-tax profit of RM629,000 as compared to the revenue of RM17.5 million and a pre-tax profit of RM508,000 in the corresponding quarter of the previous financial year. The improved profit for the current quarter was due to the increase in revenue and costs savings

14. Comparison with Immediate Preceding Quarter

Although current quarter's revenue of RM19.7 million was lower when compared to the immediate preceding quarter's revenue of RM28.3 million, the Group achieved a pre-tax profit of RM629,000 as opposed to pre-tax loss of RM43,000 in the immediate preceding quarter mainly due to improvement in the gross margin.

15. Prospects

With the completion of Par Value Reduction and Share Premium Reduction on 31 July, 2007 and the mandatory conversion of 4% ICULS-5 into ordinary shares on 7 August, 2007, the Group no longer triggers any of the criteria under Practice Note 17/2005 of the Listing Requirements. Accordingly, the Company had, on 23 August 2007, applied to the BMSB for the upliftment from the enhanced PN17 category and the written approval is pending.

In the meantime, the Rights Issue is expected to complete by end of September 2007 upon submission of the relevant documents to Bursa for the listing and quotation of the shares arising from the Rights Issue.

In view of the above and better utilization of IT products and services by both public and private sectors as well as the addition funds from the Rights Issue for expansionary purposes, the Board of Directors expects the Group's performance for the financial year ending 31 March 2008 to improve further.

16. Variance for profit forecast / Shortfall in profit guarantee

Not applicable.

17. Taxation

| | Current Year Quarter ended 31.03.07 RM'000 | Current Year-to- date ended 31.03.07 RM'000 |
|---|---|--|
| Income tax | | |
| - Current period | - | - |
| - Overprovision in prior year | 108 | 108 |
| Deferred tax | | |
| - Relating to origination and reversal of temporary differences | (2) | (2) |
| - Overprovision in prior year | - | - |
| Tax credit | 106 | 106 |

The tax credit for the Group is mainly in respect of reversal of over-provision for taxation for a subsidiary registered in a tax haven country, resulting in a lower effective income tax rate of 17% for the financial period ended 30 June 2007 as opposed to the statutory tax rate of 26%.

18. Sale of unquoted investments or properties

There were no sales of unquoted investments or properties for the current quarter under review.

19. Purchase and disposal of quoted securities

There was no purchase and disposal of quoted securities for the current quarter under review.

20. Status of Corporate Exercise

On 8 May 2006, the Company was designated as an affected listed issuer pursuant to the amended Practice Note 17/2005 (“PN 17”) whereby the Company’s shareholders’ equity on consolidated basis is less than twenty five percent (25%) of its issued and paid-up share capital of RM76,118,087.

The Company proposed to undertake corporate restructuring scheme to regularize its financial condition. The scheme was approved by the Securities Commission (“SC”) on 30 November 2006:

- (i) Reduction of the issued and paid-up share capital of the Company pursuant to Section 64(1) of the Companies Act 1965 involving the cancellation of RM0.75 of the par value of each existing ordinary share of RM1.00 each of the Company (“Par Value Reduction”);
- (ii) Reduction of the share premium account of the Company of up to RM15,667,287 pursuant to Section 64(1) and 60(2) of the Companies Act 1965 (“Share Premium Reduction”);
- (iii) Renounceable rights issue of up to 85,632,848 new ordinary shares of RM0.25 each (“Rights Shares”) with up to 21,408,212 free detachable warrants (“Warrants”) on the basis of nine (9) Rights Shares for every eight (8) existing ordinary shares of RM0.25 each held after the Par Value Reduction at an issue price of RM0.25 per Rights Share together with one (1) Warrant for every four (4) Rights Shares issued (“Rights Issues of Shares with Warrants”); and
- (iv) Issuance of up to RM10,000,000 nominal value of 5% three (3)-year Irredeemable Convertible Unsecured Loan Stock (“Issuance of ICULS”) of which, RM4,480,186 nominal value of ICULS will be issued to set-off against the advances from VXL Management Sdn Bhd.

(Collectively referred to as the “Corporate Exercise”)

In addition, the Issuance of ICULS was approved under Foreign Investment Committee’s Guideline on the Acquisition of Interest, Mergers and Take-Overs by Local and Foreign Interest on 30 November 2006.

On 22 December 2006, subscription price of the Rights Shares, exercise price of the Warrants and the conversion price of the ICULS were fixed at RM0.25, RM0.25 and RM0.33 respectively.

On 18 January 2007, Bank Negara Malaysia approved the issuance of the Warrants to be issued pursuant to the Rights Issue of Shares with Warrants to non-resident shareholders of the Company.

On 27 February 2007, SC granted approval to revise the number of renounceable rights issues up to 206,482,904 rights shares and up to 51,620,726 warrants. In the same letter, SC also approved the revision to the utilization of proceeds.

| | Revised figure | Existing |
|--------------------------------------|----------------|----------|
| Proposed utilization | RM'000 | RM'000 |
| Working capital | 11,876 | 16,883 |
| Repayment of borrowings | 13,933 | 9,045 |
| Estimated expenses for the Proposals | 1,000 | 1,000 |
| | 26,809 | 26,928 |

20. Status of Corporate Exercise (cont'd)

An announcement was made on 28 February 2007 to notify the approval granted by SC. The Company also included the following in the same announcement:-

- (i) The Minimum Subscription Level of the Proposed Rights Issue of Shares with Warrants was fixed at 85,632,848 Rights Shares and 21,408,212 Warrants.
- (ii) The Company has procured the written irrevocable undertakings from its substantial shareholders, VXL Holdings Sdn Bhd and Seberang Jati Sdn Bhd, to subscribe in full for their entitlements pursuant to the Proposed Rights Issue of Shares with Warrants.

The irrevocable undertakings to subscribe for the Rights Shares by the substantial shareholders of the Company are as detailed below and that the balance of the Rights Shares not subscribed for by the substantial shareholders will be underwritten up to the Minimum Subscription Level :-

| Substantial shareholders | No. of Shares held as at 15 February 2007 | % of the existing issued and paid-up share capital | No. of Rights Shares entitled to/undertaken to be subscribed | % of Rights Shares undertaken to be subscribed |
|--------------------------|---|--|--|--|
| VXL Holdings Sdn Bhd | 40,486,070 | 53.19 | 45,546,829 | 53.19 |
| Seberang Jati Sdn Bhd | 8,206,900 | 10.78 | 9,232,763 | 10.78 |

On 29 March 2007, the Corporate Exercise was approved by the shareholders at the Extraordinary General Meeting ("EGM").

The High Court of Malaya had, on 21 June 2007, sanctioned and confirmed the Par Value Reduction and Share Premium Reduction (collectively referred to as "Capital Reduction") pursuant to Section 64(1) of the Companies Act, 1965, under Petition No. D-26-29-07 passed by the shareholders of the Company at the EGM. The office copy of the relevant order had been lodged with the Registrar of Companies on 11 July 2007.

The effective date of the Par Value Reduction was fixed on 31 July 2007 ("Effective Date"). The Share Premium Reduction was effected concurrently with the Par Value Reduction. The Capital Reduction had created a credit amounting to approximately RM72.675 million which was utilized to set-off the accumulated losses of the Company.

Consequent to the Par Value Reduction, the conversion price of the 4% five (5) year Irredeemable Convertible Unsecured Loan Stocks 2002/2007 ("ICULS") was adjusted from RM1.50 per ICULS to RM0.38 per ICULS and the adjustment took place immediately preceding the Effective Date, i.e. on 30 July 2007. The ICULS were mandatory converted to ordinary shares on 7 August, 2007. Resulting from the conversion, the issued and paid up capital was increased to RM41,396,311, comprising 165,585,244 ordinary shares of RM0.25 each

On 8 August 2007, the Company announced the Book Closure date together with the Important Relevant Dates in relation to the Rights Issue of Shares with Warrants.

20. Status of Corporate Exercise (cont'd)

On 13 August 2007, the Company received approval in principal from BMSB for the listing of and quotation for the following on the Second Board of BMSB:-

- (i) Dataprep Shares to be issued pursuant to the Rights Issue of Shares with Warrants;
- (ii) Warrants to be issued pursuant to the Rights Issue of Shares with Warrants;
- (iii) New Dataprep Shares to be issued pursuant to any exercise of the Warrants; and
- (iv) New Dataprep Shares to be issued pursuant to the conversion of the ICULS.

On 23 August 2007, the Abridged Prospectus was registered with the SC.

With the completion of Par Value Reduction and Share Premium Reduction on 31 July, 2007 and the mandatory conversion of 4% ICULS-5 into ordinary shares on 7 August, 2007, the Group no longer triggers any of the criteria under Practice Note 17/2005 of the Listing Requirements. Accordingly, the Company had, on 23 August 2007, applied to the BMSB for the upliftment from the enhanced PN17 category and written approval is pending.

On 27 August 2007, the Abridged Prospectus together with the Provisional Allotment Forms was issued to the entitled shareholders. Trading of Rights commenced on the same day. The last date of acceptance and payment for the Rights Issue of Shares with Warrants is fixed on 11 September 2007 and the shares arising from the Rights Issue of Shares with Warrants are expected to be listed by the end September 2007.

In respect of the Issuance of ICULS of which RM4,598,675 nominal amount of ICULS will be issued as settlement of the advances owing to VXL Management Sdn. Bhd. The Company is in the midst of identifying the places for the remaining ICULS.

The Company expects to complete the whole Corporate Exercise by 29 November, 2007, the date granted by the authorities to complete the Corporate Exercise.

21. Group borrowings

The Group's borrowings as at 30 June 2007 are as follows:

| | | As at 30.06.07 RM'000 | As at 31.03.07 RM'000 |
|--|--------------|--------------------------|--------------------------|
| Short Term Borrowings: | | | |
| Unsecured | | | |
| - Irredeemable Convertible Unsecured Loan Stocks ("ICULS") | | 124 | 438 |
| - Bank Overdraft | | 1,442 | 1,438 |
| Secured | | | |
| - Bank Overdraft | | 4,137 | 838 |
| - Banker Acceptance | | 5,965 | 6,695 |
| - Term Loan | | 7,832 | 8,781 |
| Total Short Term Borrowings | (A) | 19,500 | 18,190 |
| Long Term Borrowings : | | | |
| Unsecured | | | |
| - Hire purchase | | 698 | 1,089 |
| Total Long Term Borrowings | (B) | 698 | 1,089 |
| Total Borrowings | (A+B) | 20,198 | 19,279 |

All borrowings are denominated in Ringgit Malaysia.

22. Off Balance Sheet Financial instruments

There was no financial instrument with off balance sheet risk as at 30 June 2007.

23. Material litigation

As at 30 August 2007, there were no pending material litigation matters.

24. Dividend

The directors do not recommend any dividend for the financial period under review (preceding financial year: nil).

25. Earnings per share

(a) Basic

| | Current Year Quarter ended 30.06.07 | Current Year- to-date ended 30.06.07 |
|--|--|---|
| Profit attributable to ordinary equity holders of the company (RM'000) | 432 | 432 |
| Weighted average number of shares in issue ('000) | 76,118 | 76,118 |
| Basic earnings per share (sen) | 0.57 | 0.57 |

(b) Diluted

Diluted earnings per share of the Group is calculated by dividing the profit for the financial period attributable to equity holders of the Company by the adjusted weighted average number of ordinary shares in issue during the financial period. The adjusted weighted average number of ordinary shares in issue is arrived at assuming full conversion of the ICULS and the full implementation of the ESOS which represents the dilutive potential of the ordinary shares.

No disclosure of earnings per share has been made as it is anti-dilutive.

26. Capital commitment

The Group has no material capital commitment as at 30 June 2007.

27. Irredeemable Convertible Unsecured Loan Stocks (“ICULS”)

On 6 August 2002, the Company issued the following ICULS to the creditor banks, pursuant to a debt restructuring scheme implemented:

- a) 30,000,000 nominal amount of 4% three (3) year ICULS in the Company at 100% nominal amount of RM1.00 each; and
- b) 34,062,520 nominal amount of 4% five (5) year ICULS in the Company at 100% nominal amount of RM1.00 each.

The movements of the ICULS since inception are as follows:

| | Group & Company |
|---|--------------------------------|
| | RM'000 |
| Face value of ICULS as at 1 April | |
| - 4% ICULS-3 | 30,000 |
| - 4% ICULS-5 | 34,062 |
| | 64,062 |
| Converted to shares | (28,151) |
| | 35,911 |
| Repayment of liability component | (7,221) |
| Total equity and liability components | 28,690 |
| Less : Equity conversion component | (28,566) |
| Liability component at end of financial period | 124 |
| Due within 12 months | 124 |
| Due after 12 months | - |
| | 124 |

The principal terms of the ICULS are as follows:

- a) The ICULS bear interest of 4% per annum payable in arrears on the first anniversary of the date of issue of ICULS and subsequent interest payments shall be payable in arrears on the anniversaries of the date of issue of the ICULS during the tenure which they shall remain outstanding, except that the last interest payment shall be made on the Maturity Date;
- b) The ICULS are convertible at any time on and after 2 October 2002 into new ordinary shares of the Company at the conversion price of RM1.50 per ICULS for one ordinary share of RM1.00 each. As disclosed in Note 20, consequent to the Par Value Reduction, the conversion price was adjusted to RM0.38 per ICULS on 30 July 2007;
- c) The ICULS will be mandatorily converted into new ordinary shares of the Company at the conversion price of RM0.38 per ICULS for one ordinary share of RM0.25 each on the maturity date; and
- d) The new ordinary shares allotted and issued upon conversion of the ICULS will be considered as fully paid up and will rank pari passu in all respects with the existing ordinary shares of the Company.

The carrying value of the ICULS approximates its fair value.

27. Irredeemable Convertible Unsecured Loan Stocks (“ICULS”) (cont’d)

On 5 August 2005, the Company increased its issued and paid up share capital from 64,061,014 ordinary shares to 76,118,087 ordinary shares by way of issuance of 12,057,073 ordinary shares of RM1.00 each through the mandatory conversion of 18,085,635 units of 4% three (3) year ICULS of RM1.00 each. The premium arising from the ICULS conversion of RM4,115,107 had been credited to the share premium account.

The balance of ICULS as at 30 June 2007 of RM28,690,000 related to the 4% five (5) year ICULS of RM0.25 each, of which expired on 7 August 2007 and was mandatorily converted into ordinary shares of 89,467,157 of RM0.25 each at a conversion price of RM0.38 per ICULS. The premium arising from the ICULS conversion of approximately RM6.2 million was credited to the share premium account.

28. Deferred tax assets

| | 30.06.07 RM'000 | 31.03.07 RM'000 |
|--|--------------------|--------------------|
| At 1 April | 3,175 | 2,477 |
| Recognised in income statement | (2) | 698 |
| At end of the period | 3,173 | 3,175 |
| Presented after appropriate offsetting as follows: | | |
| - Deferred tax assets | 3,601 | 3,601 |
| - Deferred tax liabilities | (428) | (426) |
| | 3,173 | 3,175 |
| | | |

By Order of the Board
Dataprep Holdings Bhd

Tan Hock Chye
Koh Ai Hoon
Company Secretaries
30 August 2007