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 year ended 31 March 2006. Other than as stated below, the accounting policies and presentation adopted for these interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 March 2006:-

- FRS 3 - Business Combinations
- FRS 116 - Property, Plant and Equipment
- FRS 136 - Impairment of Assets
- FRS 138 - Intangible Assets

The new FRS 3 has resulted in consequential amendments to FRS 136.

The adoption of these new FRSs has resulted in the Group ceasing annual goodwill amortisation. Goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognised in profit or loss and subsequent reversal is not allowed. For the period to 31 March 2006, goodwill was amortised annually on a straight-line basis over 20 years. This change in accounting policy has been accounted for prospectively for business combinations where the agreement date is on or after 1 January 2006. The carrying amount of goodwill as at 1 April 2006 of RM2,856,000 ceased to be amortised. This has the effect of reducing the amortisation charge by RM126,000 in the financial period ended 31 December 2006.

FRS 3 requires all business combinations to be accounted for using the purchase method. The Group accounted for certain business combinations prior to 1 April 2006 using the merger method. FRS 3 is applied prospectively for business combinations with agreements dated on or after 1 January 2006 only. Hence, there was no effect on the consolidated income statement for the period ended 31 December 2006.

FRS 116 requires that the residual value and the useful life of an asset needs to be reviewed at least at the end of each financial period and if expectations differ from previous estimates, the change shall be accounted as a change in accounting estimate in accordance with FRS 108. Accordingly, the Group has reassessed the useful life of motor vehicles and computer equipment. As a result of this change in accounting estimates, the total savings in depreciation charge for the current period amounted to RM267,000.

With the adoption of FRS 138 on 1 April 2006, the Group reclassified computer software, previously classified under property, plant and equipment that meets the identifiability criterion of an intangible asset as intangible assets. The comparative carrying amount of the computer software has been reclassified accordingly.

1. Basis of Preparation (cont'd)

The following are FRSs that have been issued but are not yet effective:

FRS 117	Leases
FRS 124	Related Party Disclosures
FRS 139	Financial Instruments : Recognition and Measurement

The Group will adopt FRS 117 and 124 (both effective for periods beginning on or after 1 October 2006) for the financial year ending 31 March 2008. The adoption of FRS 117 will have no significant financial impact on the financial statements. The adoption of FRS 124 will only affect disclosures and will have no financial impact on the financial statements. The effective date of FRS 139 has been deferred to a date to be announced and accordingly, its implications on the financial statements upon implementation cannot be reasonably evaluated at present.

2. Audit qualification of the preceding annual financial statement

The Auditors' Report on the financial statements for the year ended 31 March 2006 was not qualified.

3. Seasonality or cyclicality 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 period under review.

5. Changes in estimates

Refer to Note 1 on FRS 3 and FRS 116 on changes in estimates.

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

For the third quarter ended 31 December 2006, 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 report for the nine months ended 31 December 2006 is as follows: -

	Consulting, Technology & Integration RM'000	Outsourcing & Managed Services RM'000	Business Process Outsourcing RM'000	Management Services RM'000	Elimination RM'000	Group RM'000
SALES						
- External sales	9,305	73,990	561	-	-	**83,856**
- Intersegment sales	739	8,175	-	1,920	(10,834)	**-**
Total sales	**10,044**	**82,165**	**561**	**1,920**	**(10,834)**	**83,856**
RESULTS						
Segment results	(322)	7,442	(1,037)	(3,889)	319	**2,513**
Unallocated expenses						**(330)**
Profit from operations						**2,183**
Interest income						**217**
Interest expenses						**(939)**
Profit before tax						**1,461**
Taxation						**(311)**
Profit after tax						**1,150**
Minority interest						**307**
Net profit for the financial period						**1,457**

8. Segmental information (cont'd)

The Group's segmental report for the nine months ended 31 December 2005 is as follows: -

	Consulting Technology & Integration RM'000	Outsourcing & Managed Services RM'000	Management Services RM'000	Elimination RM'000	Group RM'000
SALES					
- External sales	11,894	40,908	-	-	**52,802**
- Intersegment sales	4,055	106	1,562	(5,723)	**-**
Total sales	**15,949**	**41,014**	**1,562**	**(5,723)**	**52,802**
RESULTS					
Segment results	1,780	3,001	(6,089)	1,895	**587**
Unallocated expenses					**(40)**
Profit from operations					**547**
Interest income					**273**
Interest expenses					**(866)**
Loss before tax					**(46)**
Taxation					**(1,636)**
Loss after tax					**(1,682)**
Minority interest					**(273)**
Net loss for the financial period					**(1,955)**

9. Valuation of property, plant and equipment

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

10. Significant events

(a) On 20 July 2006, the Company disposed 846,000 ordinary shares, representing a 5% equity interest in its subsidiary, Solsis (M) Sdn Bhd for a cash consideration of RM68,688.

The disposal had resulted in a loss of RM44,038 to the Group and a loss of RM1,793,367 to the Company.

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(b) On 27 July 2006, DP International Ltd, a wholly owned subsidiary of the Company, acquired a 100% equity interest in DP International Pte Ltd for a cash consideration of SGD1.00.

DP International Pte Ltd was incorporated on 5 June 2006 and has a paid up share capital of SGD 1.00. Its principal activity is the provision of information technology services and solutions.

10. Significant events (cont'd)

(c) On 5 September 2006, HRM Business Consulting Sdn Bhd, a subsidiary of the Company, acquired 2 ordinary shares of RM1 each representing 100% equity interest in HRMBC Franchise Advisory Sdn. Bhd. for a cash consideration of RM2.

HRMBC Franchise Sdn Bhd was incorporated on 12 May 2005 and has a paid up share capital of RM2.00. Its intended principal activity is the provision of franchise consulting services.

On 26 January 2007, HRMBC Franchise Advisory Sdn. Bhd. increased its paid up share capital from RM2 to RM100,000 of which HRM Business Consulting Sdn Bhd had subscribed for 64,998 ordinary shares of RM1 each for a cash consideration of RM64,998. The total number of shares held by HRM Business Consulting Sdn Bhd after the allotment was 65,000 ordinary shares of RM1.00 each, representing 65% equity interest in HRMBC Franchise Advisory Sdn. Bhd.

The balance of the 35,000 ordinary shares of RM1.00 each representing 35% equity interest, was subscribed by Encik Awalan bin Abdul Aziz, a director of HRMBC Franchise Advisory Sdn Bhd for a cash consideration of RM35,000.

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 2006 except as disclosed in Note 10 above.

12. Changes in Contingent Liabilities (Unsecured)

	Group		
Unsecured Contingent Liabilities :-	**31.12.06 RM'000**	**31.3.06 RM'000**	**Increase/ (decrease) RM'000**
Corporate guarantee given to financial institutions for :			
- Performance guarantees given to third parties	6,081	4,826	1,255
- Credit facilities granted to subsidiary	723	1,331	(608)
Total	**6,804**	**6,157**	**647**

13. Review of performance

The changes from the adoption of new FRSs applicable to the Group are disclosed in Note 1.

For the third quarter ended 31 December 2006, the Group recorded a revenue of RM39.6 million and achieved a pre-tax profit of RM496,000 as compared to the revenue of RM22.6 million and a pre-tax profit of RM729,000 in the corresponding quarter of the previous financial year. The Group's achievement of a marginally lower pre-tax profit when compared to the corresponding quarter in the previous financial year was a result of lower margins and provision for doubtful debts.

For the nine months ended 31 December 2006, the Group recorded a revenue of RM83.9 million and achieved a pre-tax profit of RM1.5 million as compared to the revenue of RM52.8 million and a pre-tax loss of RM46,000 in the corresponding period of the previous financial year. The turnaround in performance for the period under review was due to the increase in revenue. The loss in the previous period was a result of the reversal of over recognition of deferred tax assets in prior years

14. Comparison with Immediate Preceding Quarter

The changes from the adoption of new FRSs applicable to the Group are disclosed in Note 1.

Lower margins registered in the current quarter had resulted in the Group achieving only a marginal increase in pre-tax profit of RM496,000 from RM457,000 when compared with the immediate preceding quarter even though revenue grew to RMRM39.6 million from RM26.7 million.

15. Prospects

The Company has, on 21 July 2006, submitted to the Securities Commission, the proposed corporate restructuring scheme ("the Scheme") to regularize its financial position. Upon completion of the Scheme, the Company will cease to be an "affected listed issuer" under the Amended PN 17 category.

Approvals from Securities Commission and all other relevant authorities are disclosed in Note 20.

The Board of Directors expects the Group's performance for the fourth quarter of the financial year to be challenging in view of the cyclical nature of the spending patterns on Information Technology by both the public and the private sectors which is normally lower at the beginning of the calendar year.

Barring any unforeseen circumstances, the Group's performance for the financial year ending 31 March 2007 is expected to be better than the previous financial year.

16. Variance for profit forecast / Shortfall in profit guarantee

Not applicable.

17. Taxation

	Current Year Quarter ended 31.12.06 RM'000	**Current Year-to-date ended 31.12.06 RM'000**
Income tax		
- current period	-	(52)
- overprovision in prior year	5	5
Deferred tax		
- Relating to origination and reversal of temporary differences	(65)	(178)
- Effect of brought forward deferred tax on reduction in income income tax rates from 28% to 27%	(10)	(86)
Taxation charge	**(70)**	**(311)**

The taxation charge for the Group is in respect of subsidiaries which have taxable income.

Malaysian income tax is calculated at the statutory tax rate of 27% of the estimated chargeable income for the period.

The effective income tax rate for the nine-months ended 31 December 2006 of 21% was below the statutory tax rate of 27% principally due to the utilization of recognized tax losses in prior years.

18. Sale of unquoted investments or properties

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

19. Purchase and disposal of quoted securities

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

20. Status of Corporate Proposal

(a) 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.

With the proposed corporate restructuring scheme mentioned in paragraph (b), the Company will be able to regularise its financial condition and cease to be an affected listed issuer pursuant to PN17.

On the same date, the Company proposed to implement the following corporate restructuring scheme:

(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 in issue to reduce the accumulated losses in the Company (“Proposed Par Value Reduction”) and relevant amendments to the Memorandum and Articles of Association of the Company;

(ii) Reduction of the share premium account of the Company of up to RM15,738,255 pursuant to Section 64(1) and 60(2) of the Companies Act 1965 to reduce the accumulated losses in the Company;

(iii) Renounceable rights issue of up to 85,632,848 new ordinary shares of RM0.25 each (“Rights Shares”) on the basis of nine (9) Rights Shares for every eight (8) existing ordinary shares of RM0.25 each held after the Proposed Par Value Reduction; and

(iv) Issuance of up to RM10,000,000 nominal value of 5% three (3)-year irredeemable convertible unsecured loan stock.

(b) On 18 July 2006, the Company announced the following amendments to the above restructuring scheme:-

(i) the proposed reduction in the share premium account of Dataprep pursuant to Sections 64(1) and 60(2) of the Act of up to RM15,667,287 rather than up to RM15,738,255;

(ii) the proposed renounceable rights issue of up to 85,632,848 Rights Shares on the basis of nine (9) Rights Shares for every eight (8) existing ordinary shares of RM0.25 each held after the Proposed Par Value Reduction will be issued with up to 21,408,212 free detachable warrants ("Warrants"). The Warrants will be issued on the basis of one (1) free Warrant for every four (4) Rights Shares;

20. Status of Corporate Proposal (cont'd)

(iii) pursuant to the Proposed Issuance of ICULS, RM4,480,186 nominal value of ICULS will be issued to VXL Management Sdn Bhd to set-off against the outstanding amount due to VXL Management Sdn Bhd as at 31 March 2006 instead of RM4,436,896. The balance of up to RM5,519,814 nominal value of ICULS will be issued to parties to be identified later via private placement and the gross proceeds of up to RM5,519,814 shall be utilised to finance the working capital requirements of the Group; and

(iv) the expected gross proceeds of RM21,408,212 to be raised from the Proposed Rights Issue of Shares with Warrants will be utilised as follows:

	Revised figure	Figure announced on 8 May 2006
Proposed utilisation	RM'000	RM'000
Working capital	11,363	10,408
Repayment of borrowings	9,045	10,000
Estimated expenses for the Proposals	1,000	1,000
	*21,408	*21,408

** The RM21.408 million excludes the proceeds to be raised from the Proposed Issuance of ICULS as stated in paragraph (iii) above.*

(c) On 21 July 2006, the Company submitted the proposed corporate restructuring scheme to regularize its financial position to the Securities Commission ("SC"). The proposed corporate restructuring scheme was approved by SC on 30 November 2006 under Section 32(5) of the Securities Commission Act, 1993 subject to the conditions as announced on 4 December 2006 to the BMSB, except for the Proposed Amendment to the Memorandum and Articles of Association which does not require SC's approval. In the same letter, SC had also informed that the Proposed Issuance of ICULS has been approved under Foreign Investment Committee's Guideline on the Acquisition of Interest, Mergers and Take-Overs by Local and Foreign Interest.

The summary of the significant conditions imposed by SC in their letter dated 30 November 2006 are as follows:-

(i) Submission of confirmation by the Advisers that they have verified the substantial shareholders' confirmation of the required financial resources to subscribe for their entitlement of shareholdings before the issuance of the abridged prospectus.
(ii) The Company to inform SC upon completion of the Proposals;
(iii) Requirement to fully comply with the other requirements of the SC Guidelines in relation to the implementation of the Proposals;
(iv) The Company to increase its Bumiputera equity by 5.92% based on the new enlarged issued and paid up share capital (representing 8,300,000 new shares) within two (2) years after the date of implementation of the Proposals;
(v) The Advisers to notify SC of the names of the appointed Arranger, Trustee and Facility Agent for the ICULS prior to the issue date of the ICULS and to observe the relevant Guidelines on the Offering of Private Debt Securities (PDS Guidelines) including the Guidelines on the Minimum Contents Requirement for Trust Deeds;
(vi) Provision of confirmation by the Adviser to potential investors over the existence of the RM4,480,186 amount owing by the Company to VXL Management Sdn Bhd;

20. Status of Corporate Proposal (cont'd)

(vii) The Adviser to fully disclose to all prospective investors and relevant parties of any conflict and potential conflict-of-interest arising from the issuance of the ICULS together with the relevant mitigating measures. The Adviser is also required to inform all prospective investors that the Board of Directors of the Company is fully informed of and aware of the conflict and potential conflict-of-interest situations (if any) and is agreeable to proceed with the present arrangement;

(viii) The Company shall obtain all necessary approvals from all relevant parties in relation to the proposed ICULS and the Adviser is to submit a written confirmation on the same to the SC prior to the issue date of the ICULS;

(ix) The Adviser and the Company to disclose in writing to potential investors that each ICULS issue will carry different risks and all potential investors are strongly encouraged to evaluate each ICULS issue on its own merit;

(x) PMBB and Dataprep to obtain the SC's approval should there be any changes to the terms and conditions of the ICULS;

(xi) The Adviser to remind all relevant parties including the Company and the Trustee to the ICULS of the need to observe and fully comply with all statutory requirements, in particular, those set out in Division 4 of Part IV of the Securities Commission Act 1993; and

(xii) Solsis (M) Sdn Bhd ("Solsis"), a subsidiary company of the Company to notify the Ministry of Finance ("MOF") of its Bumiputera equity interest pursuant to the condition imposed by MOF for Solsis to qualify as a Bumiputera contractor.

The full details of the conditions are contained in the announcement to BMSB on 4 December 2006.

(d) On 22 December 2006, subscription price of the Rights Shares, exercise price of the Warrants and the conversion price of the ICULS pursuant to the proposed corporate restructuring have been fixed at RM0.25, RM0.25 and RM0.33 respectively.

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

(f) Other approvals to be obtained.
- (i) the High Court of Malaya;
- (ii) the shareholders of Dataprep at an EGM to be convened;
- (iii) Bursa Securities for the listing of and quotation for the following on the Second Board of Bursa Securities:-
  - (a) Dataprep Shares to be issued pursuant to the Proposed Rights Issue of Shares with Warrants;
  - (b) warrants to be issued pursuant to the Proposed Rights Issue of Shares with Warrants;
  - (c) new Dataprep Shares to be issued pursuant to any exercise of the Warrants; and
  - (d) new Dataprep Shares to be issued pursuant to the conversion of the ICULS
- (iv) the Securities Commission for the revised the number of rights issue and warrants up to a maximum figure of up to 206,482,904 rights shares and up to 51,620,726 warrants;
- (iv) the Securities Commission for the registration of the Abridged Prospectus; and
- (v) any other relevant authorities, if any.

21. Group borrowings

The Group's borrowings as at 31 December 2006 are as follows:

		As at 31.12.06 RM'000	As at 31.3.06 RM'000
Short Term Borrowings:			
Unsecured			
- Banker Acceptance		6,539	2,680
- Trust Receipts		-	2,371
- Bank Overdraft		3,716	2,675
- Hire purchase		167	-
- Irredeemable Convertible Unsecured Loan Stocks ("ICULS")		748	1,227
		11,170	**8,953**
Secured			
- Term Loan		**4,871**	**6,000**
Total Short Term Borrowings	**(A)**	**16,041**	**14,953**
Long Term Borrowings :			
Unsecured			
- ICULS	**(B)**	-	438
- Hire purchase		243	-
Total Long Term Borrowings		**243**	**438**
Total Borrowings	**(A+B)**	**16,284**	**15,391**

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 31 December 2006.

23. Material litigation

As at 23 February 2007, there were no pending material litigation matters.

24. Dividend

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

25. Earnings per share

(a) Basic

	Current Year Quarter ended 31.12.06	Current Year-to-date ended 31.12.06
Profit attributable to ordinary equity holders of the company (RM'000)	597	1,457
Weighted average number of shares in issue ('000)	76,118	76,118
Basic earnings per share (sen)	**0.78**	**1.91**

(b) Diluted

Diluted earnings/(loss) per share of the Group is calculated by dividing the profit/(loss) 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 31 December 2006.

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.

27. Irredeemable Convertible Unsecured Loan Stocks ("ICULS") (cont'd)

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	(6,597)
Total equity and liability components	29,314
Less : Equity conversion component	(28,566)
Liability component at end of the period	**748**
Due within 12 months	748
Due after 12 months	-
	748

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 ICULS for one ordinary share of RM1.00 each;

c) The ICULS will be mandatorily converted into new ordinary shares of the Company at the conversion price of RM1.50 ICULS for one ordinary share of RM1.00 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.

On 5 August 2005, the Company increased its issued and paid up share capital from RM64,061,014 to RM76,118,087 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 has been credited to the Share Premium account.

The balance of ICULS as at 31 December 2006 of RM29,314,000 relates to the 4% five (5) year ICULS of RM1.00 each.

28. Deferred tax assets

	31.12.06 RM'000	31.3.06 RM'000
At 1 April	2,477	3,700
Recognised in income statement	(266)	(1,223)
At end of the period	**2,211**	**2,477**
Presented after appropriate offsetting as follows:		
- Deferred tax assets	2,216	2,478
- Deferred tax liabilities	(5)	(1)
	2,211	**2,477**

By Order of the Board
Dataprep Holdings Bhd

Tan Hock Chye
Koh Ai Hoon
Company Secretaries
23 February 2007