

# DATAPREP HOLDINGS BHD

(Incorporated in Malaysia) (Company No.: 183059-H)

ANNUAL REPORT 2004



**DATAPREP HOLDINGS BHD**

(Incorporated in Malaysia) (Company No.: 183059-H)

11th Floor, Menara Luxor, 6B Persiaran Tropicana  
Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor, Malaysia

[www.dataprepgroup.com](http://www.dataprepgroup.com)

Consulting > Integration > Outsourcing

# COVER RATIONALE



The corporate logo on the cover depicts Dataprep's renewed commitment and focus on its clients and core competencies. The expanded logo in the background reflects Dataprep's ambition for the future and courage to compete in tomorrow's challenging technological and global environment.



**DATAPREP HOLDINGS BHD** (Incorporated in Malaysia) 183059-H

A N N U A L R E P O R T 2 0 0 4

# CONTENTS

Notice of Annual General Meeting	2	40	Balance Sheets
Statement Accompanying Notice of 15th Annual General Meeting	9	41	Statement of Changes in Equity
Corporate Information	10	45	Cash Flow Statements
Board of Directors	13	47	Notes to the Financial Statements
Leadership Profile	15	81	Statement by Directors
Chairman's Statement	17	81	Statement of Declaration
Statement on Internal Control	18	82	Report of the Auditors
Statement of Corporate Governance	20	83	Shareholdings Statistics / <i>Perangkaan Pegangan Saham</i>
Audit Committee Report	25	85	Warrant Statistics / <i>Perangkaan Warrant</i>
Directors' Report	32	87	ICULS-3 Statistics / <i>Perangkaan ICULS-3</i>
Income Statements	39	89	ICULS-5 Statistics / <i>Perangkaan ICULS-5</i>
			Proxy Form

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE FIFTEENTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT BALLROOM 1, TROPICANA GOLF & COUNTRY RESORT BERHAD, JALAN KELAB TROPICANA, TROPICANA GOLF & COUNTRY RESORT, 47410 PETALING JAYA, SELANGOR DARUL EHSAN ON TUESDAY, 28TH SEPTEMBER 2004 AT 11.00AM TO TRANSACT THE FOLLOWING BUSINESS:

### AS ORDINARY BUSINESS

1. To receive and adopt the audited financial statements of the Company for the year ended 31 March 2004 and the Reports of the Directors and Auditors thereon. **(Ordinary Resolution 1)**
2. To approve the payment of Directors' fees for the year ended 31 March 2004. **(Ordinary Resolution 2)**
3. To re-elect the following Directors :
  - 3.1 Datuk Lim Chee Wah retires by rotation pursuant to Article 98 of the Company's Articles of Association and being eligible, offers himself for re-election. **(Ordinary Resolution 3)**
  - 3.2 Mr Chew Liong Kim retires pursuant to Article 103 of the Company's Articles of Association and being eligible, offers himself for re-election. **(Ordinary Resolution 4)**
4. To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

2

### AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following ordinary resolution: -

5. **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** **(Ordinary Resolution 6)**

"THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant Government and / or Regulatory Authorities, pursuant to Section 132D of the Companies Act, 1965, the Directors of the Company be and are hereby empowered 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 and to such person or persons as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 10 percent of the issued share capital of the Company for the time being AND THAT the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad."
6. **PROPOSED ALLOCATION OF OPTIONS TO MR CHEW LIONG KIM, CHIEF EXECUTIVE OFFICER** **(Ordinary Resolution 7)**

"THAT the Company be and is hereby authorized specifically to offer and grant to Mr Chew Liong Kim, Chief Executive Officer, options to subscribe for up to maximum of 428,000 new ordinary shares in the Company pursuant to the ESOS, subject always to any adjustment which may be made in accordance with the provision of the Bye-Laws governing and constituting the ESOS."

7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH GENTING BERHAD, ITS SUBSIDIARIES AND ASSOCIATE COMPANIES ("GENTING GROUP")**

"THAT the shareholders mandate for the recurrent related party transactions of a revenue or trading nature as approved by the shareholders of the Company on 25 September 2003 pursuant to Paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad, authorizing the Company's subsidiary to enter into the recurrent related party transactions of a revenue or trading nature with Genting Group ("Related Transacting Party") as particularized in Section 2.4 of Circular dated 6 September 2004 which are necessary for the Company's subsidiary day to day operations in the ordinary course of business and on normal commercial terms which are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders of the Company, be and is hereby renewed PROVIDED THAT: -

**(Ordinary Resolution 8)**

- (a) disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the Shareholders' mandate during the financial year,

AND THAT the authority conferred by such renewed mandate shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting of the Company following the Annual General Meeting at which the Proposed Renewal of Shareholders' mandate for the Recurrent Related Party Transactions is approved, at which time it will lapse, unless by a resolution passed at the Annual General Meeting, the mandate is again renewed;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company after that date is required 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
- (iii) revoked or varied by resolution passed by Shareholders in general meeting,

Whichever is earlier,

AND THAT the Directors and / or any of them be and are hereby authorized to complete and do all such acts and things including executing such documents as may be required or necessary to give effect to the transactions contemplated and / or authorized by this Ordinary Resolution."

**8. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH KIEN HUAT DEVELOPMENT SDN BHD ("KHD") AND VXL HOLDINGS SDN BHD ("VXL HOLDINGS")**

"THAT the shareholders mandate for the recurrent related party transactions of a revenue or trading nature as approved by the shareholders of the Company on 25 September 2003 pursuant to Paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad, authorizing the Company's subsidiary to enter into the recurrent related party transactions of a revenue or trading nature with (i) KHD and (ii) VXL Holdings ("Related Transacting Party") as particularized in Section 2.4 of Circular dated 6 September 2004 which are necessary for the Company's subsidiary day to day operations in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company, be and is hereby renewed PROVIDED THAT: -

**(Ordinary Resolution 9)**

- (a) disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the Shareholders' mandate during the financial year,

AND THAT the authority conferred by such renewed mandate shall continue to be in force until: -

- (i) the conclusion of the next Annual General Meeting of the Company following the Annual General Meeting at which the Proposed Renewal of Shareholders' mandate for the Recurrent Related Party Transactions is approved, at which time it will lapse, unless by a resolution passed at the Annual General Meeting, the mandate is again renewed;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company after that date is required 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
- (iii) revoked or varied by resolution passed by Shareholders in general meeting,

Whichever is earlier,

AND THAT the Directors and / or any of them be and are hereby authorized to complete and do all such acts and things including executing such documents as may be required or necessary to give effect to the transactions contemplated and / or authorized by this Ordinary Resolution."

**9. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH DOLOMITE CORPORATION BERHAD ("DCB") AND ARTWRIGHT HOLDINGS BERHAD AND ITS SUBSIDIARIES ("AHB")**

"THAT the shareholders mandate for the recurrent related party transaction of a revenue or trading nature as approved by the shareholders of the Company on 25 September 2003 pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, authorizing the Company's subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature with (i) DCB and (ii) AHB ("Related Transacting Parties") as particularized in Section 2.4 of Circular dated 6 September 2004 which are necessary for the Company's subsidiaries day to day operations in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company, be and is hereby renewed PROVIDED THAT: -

**(Ordinary Resolution 10)**

9. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH DOLOMITE CORPORATION BERHAD ("DCB") AND ARTWRIGHT HOLDINGS BERHAD AND ITS SUBSIDIARIES ("AHB") (Cont'd)**

- (a) disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the Shareholders' mandate during the financial year,

AND THAT the authority conferred by such mandate shall continue to be in force until: -

- (i) the conclusion of the next Annual General Meeting of the Company following the Annual General Meeting at which the Proposed Shareholders' mandate for the Recurrent Related Party Transactions is approved, at which time it will lapse, unless by a resolution passed at the Annual General Meeting, the mandate is again renewed;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company after that date is required 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
- (iii) revoked or varied by resolution passed by Shareholders in general meeting,

Whichever is earlier,

AND THAT the Directors and / or any of them be and are hereby authorized to complete and do all such acts and things including executing such documents as may be required or necessary to give effect to the transactions contemplated and / or authorized by this Ordinary Resolution."

10. **PROPOSED ADDITIONAL SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH GENTING GROUP AND LINGKARAN EHSAN SDN BHD AND ITS SUBSIDIARIES ("LESB")**

"THAT subject to the Listing Requirements of the Bursa Malaysia Securities Berhad, the Company's subsidiaries are hereby mandated to enter into all recurrent related party transactions of a revenue or trading nature ("RRPT") with Genting Group and LESB ("Related Transacting Parties") as particularized in Section 2.4 of Circular dated 6 September 2004 which are necessary for the Company's subsidiaries day to day operations in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company, be and is hereby renewed PROVIDED THAT: - **(Ordinary Resolution 11)**

- (a) disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the Shareholders' mandate during the financial year,

AND THAT the authority conferred by such mandate shall continue to be in force until: -

- (i) the conclusion of the next Annual General Meeting of the Company following the Annual General Meeting at which the Proposed Shareholders' mandate for the Recurrent Related Party Transactions is approved, at which time it will lapse, unless by a resolution passed at the Annual General Meeting, the mandate is again renewed;

10. **PROPOSED ADDITIONAL SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH GENTING GROUP AND LESB (Cont'd)**

- (ii) the expiration of the period within which the next Annual General Meeting of the Company after that date is required 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
- (iii) revoked or varied by resolution passed by Shareholders in general meeting,

Whichever is earlier,

AND THAT the Directors and / or any of them be and are hereby authorized to complete and do all such acts and things including executing such documents as may be required or necessary to give effect to the transactions contemplated and / or authorized by this Ordinary Resolution."

11. **PROPOSED ADDITIONAL SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH HRM BUSINESS CONSULTING SDN BHD ("HRMBC")**

"THAT subject to the Listing Requirements of the Bursa Malaysia Securities Berhad, the Company and its subsidiaries are hereby mandated to enter into all recurrent related party transactions of a revenue or trading nature ("RRPT") with HRMBC ("Related Transacting Parties") as particularized in Section 2.4 of Circular dated 6 September 2004 which are necessary for the Company and its subsidiaries day to day operations in the ordinary course of business and on normal commercial terms which are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders of the Company, be and is hereby renewed PROVIDED THAT: - **(Ordinary Resolution 12)**

- (a) disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the Shareholders' mandate during the financial year,

AND THAT the authority conferred by such mandate shall continue to be in force until: -

- (i) the conclusion of the next Annual General Meeting of the Company following the Annual General Meeting at which the Proposed Shareholders' mandate for the Recurrent Related Party Transactions is approved, at which time it will lapse, unless by a resolution passed at the Annual General Meeting, the mandate is again renewed;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company after that date is required 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

- (iii) revoked or varied by resolution passed by Shareholders in general meeting,

Whichever is earlier,

AND THAT the Directors and / or any of them be and are hereby authorized to complete and do all such acts and things including executing such documents as may be required or necessary to give effect to the transactions contemplated and / or authorized by this Ordinary Resolution."



**12. PROPOSED REVISION IN UTILISATION OF PROCEEDS**

“THAT, approval be and is hereby given for the Company to revise the proposed utilisation of proceeds raised from the Corporate and Debt Restructuring Scheme, the details of which as particularized in Section 3 of Circular dated 6 September 2004. **(Ordinary Resolution 13)**

AND THAT the Directors and / or any of them be and are hereby authorized to give effect to the Proposed Revision in Utilisation of Proceeds towards these purposes, with full power to make any variations, modification and/or amendment (if any) as imposed by the relevant authorities and/or to take all such steps as the Directors may deem necessary or expedient in order to implement, finalise and give full effect to the utilisation of the said proceeds.”

13. To consider any other business of which due notice shall have been given. **(Ordinary Resolution 14)**

BY ORDER OF THE BOARD

**CHEN SHIEN YEE**  
**KOH AI HOON**  
Secretaries

6 September 2004  
Petaling Jaya, Selangor Darul Ehsan

**Note:**

A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the Company's registered office at 11<sup>th</sup> Floor, Menara Luxor, 6B Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding the meeting and at any adjournment thereof.

**Explanatory Notes to Item 5 (Ordinary Resolution 6) of the Agenda:**

The proposed ordinary resolution 6 if passed, will give the Directors of the Company the authority to issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Directors 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 or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

**Explanation Notes to Item 7 (Ordinary Resolution 8), Item 8 (Ordinary Resolution 9), Item 9 (Ordinary Resolution 10), Item 10 (Ordinary Resolution 11) and Item 11 (Ordinary Resolution 12) of the Agenda:**

The proposed ordinary resolution 8, 9, 10, 11 and 12 if passed, will empower the Directors of the Company's subsidiary companies to enter into recurrent related party transactions of revenue or trading nature with the Mandated Related Parties. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

8

**Explanatory Notes to Item 12 (Ordinary Resolution 13)**

The proposed ordinary resolution 13 if passed, will allow the Company to utilise the proceeds earmarked for Capital and research & development expenditure for new business of RM12.87 million and investment in core activities/businesses of RM9.40 million to working capital.

## STATEMENT ACCOMPANYING NOTICE OF 15TH ANNUAL GENERAL MEETING

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

### 1. Eight (8) Board Meetings were held during the financial year 31 March 2004

Date of Meeting	Total Board Members	% of Attendance
25 May 2003	5	60
12 June 2003	5	80
29 August 2003	5	80
25 September 2003	5	100
28 November 2003	5	80
19 December 2003	5	100
17 February 2004	5	100
26 February 2004	6	80

### 2. Details of Directors' attendance at Board Meetings are as follows:-

Name of Directors	Attendance
Encik Mirzan Bin Mahathir	4/8
Datuk Lim Chee Wah	7/8
Datuk Mohamad Rais Bin Zainudin (Resigned on 13 May 2004)	8/8
Encik Muhammad Fauzi Bin Abdul Ghani	7/8
Mr. Michael Yee Kim Shing	8/8
Mr. Chew Liong Kim (Appointed on 26 February 2004)	1/1

### 3. Details of Director standing for re-election and re-appointment are as follows:-

The Director retiring by rotation pursuant to Article 98 of the Articles of Association and seeking re-election is Datuk Lim Chee Wah.

The Director retiring pursuant to Article 103 of the Article of Association and seeking re-election is Mr Chew Liong Kim.

The details of Datuk Lim Chee Wah and Mr Chew Liong Kim are disclosed under the Directors' profiles which appear on pages 13 to 14 of this Annual Report.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Chairman

Mirzan Bin Mahathir

#### Directors

Chew Liong Kim (*Chief Executive Officer*)

Datuk Lim Chee Wah (*Executive Director*)

Muhammad Fauzi Bin Abd Ghani (*Independent Non- Executive Director*)

Michael Yee Kim Shing (*Independent Non-Executive Director*)

Dato' Mohamad Rais Bin Zainudin (resigned on 13 May 2004)

### COMPANY SECRETARIES

Chen Shien Yee

Koh Ai Hoon

### AUDIT COMMITTEE

#### Chairman

Michael Yee Kim Shing

(*Independent Non-Executive Director*)

#### Members

Muhammad Fauzi Bin Abd Ghani

(*Independent Non-Executive Director*)

Datuk Lim Chee Wah

(*Executive Director*)

### REMUNERATION, QUALITY & NOMINATING COMMITTEE

Muhammad Fauzi Bin Abd Ghani

Michael Yee Kim Shing

Chew Liong Kim

### EMPLOYEE SHARE OPTION SCHEME COMMITTEE

Chew Liong Kim

Ahmad Rizan Ibrahim

Ng Keok Ang

Singam Muthuthamby

Tan Hock Chye

### LEADERSHIP

#### Chief Executive Officer

Chew Liong Kim

#### Executive Director/Head of Strategy and Overseas Expansion

Datuk Lim Chee Wah

#### Head of Sales, Industries & Alliances

Ahmad Rizan Ibrahim

#### Head of Outsourcing and Managed Services

Ng Keok Ang

#### Head of Consulting & Integration

Singam Muthuthamby

#### Head of Business Support

Tan Hock Chye

### REGISTERED OFFICE

11<sup>th</sup> Floor, Menara Luxor,  
6B Persiaran Tropicana,  
Tropicana Golf & Country Resort,  
47410 Petaling Jaya,  
Selangor Darul Ehsan.  
Telephone : (603) 7883 2200  
Facsimile : (603) 7880 8033

### SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd  
Level 26, Menara Multi Purpose,  
Capital Square,  
8, Jalan Munshi Abdullah,  
50100 Kuala Lumpur.  
Telephone : (603) 2721 2222  
Facsimile : (603) 2721 2530

### PRINCIPAL BANKERS

Malayan Banking Berhad  
Southern Bank Berhad  
Public Bank Berhad

### AUDITORS

Ernst & Young

# OUR SERVICES & SOLUTIONS

Dataprep Group provides a full spectrum of ICT services from business and technology consulting, systems and network integration, software developments to managed services, e-business and application services and its services is segmented into two Business units i.e. Consulting and Integration (C&I) Solutions and Outsourcing and Managed Services. The Business units is further segmented into 6 practices which is synonymous to the Group's vision of growth.

APPLICATION MANAGED SERVICES

INFRASTRUCTURE MANAGED SERVICES

ENTERPRISE SOLUTIONS

NETWORK MANAGED SERVICES

MARKET SOLUTIONS

TECHNOLOGY INTEGRATION SOLUTIONS

## Consulting & Integration Solutions

### ▲ ENTERPRISE SOLUTIONS

#### *Strategy*

- Strategy Solutions
- Organizational Transformation

#### *Organizational Performance*

- Finance Business Intelligence
- Finance Strategy
- Operational Effectiveness
- Strategic Cost Management
- Change & Leadership
- People & Knowledge Services

### ▲ MARKET SOLUTIONS

#### *Customer & Channel*

- Customer & Channel Business Architecture
- Customer & Channel Strategy
- Customer Relationship Management

#### *Supply Chain*

- Supply Chain Planning/Execution
- Supply Chain Strategy
- Procurement
- Strategic Sourcing
- Logistics

### ▲ TECHNOLOGY INTEGRATION SOLUTIONS

#### *Systems Integration*

#### *Enterprise Business Applications*

- Strategic IT Assessment & Planning
- ERP Selection & Implementation

#### *Enterprise Application Integration*

#### *Software Customization / Development*

## Outsourcing & Managed Services

### ▲ INFRASTRUCTURE MANAGED SERVICES

- Hardware Maintenance
- IT Assets Relocation
- Hardware Installation/Upgrades
- Enhanced Warranty Support Program
- Authorized Service Provider Program
- ICT Assets Management
- Desktop/Server Management
- Desktop & Server Migration
- Operating Environment Assessment

### ▲ APPLICATION MANAGED SERVICES

- Application Hosting
- Application Management
- Application Migration
- Database Support/Administration
- Database Migration
- Helpdesk Setup
- Managed Helpdesk
- Security Assessment & Audit
- Instant Office ASP

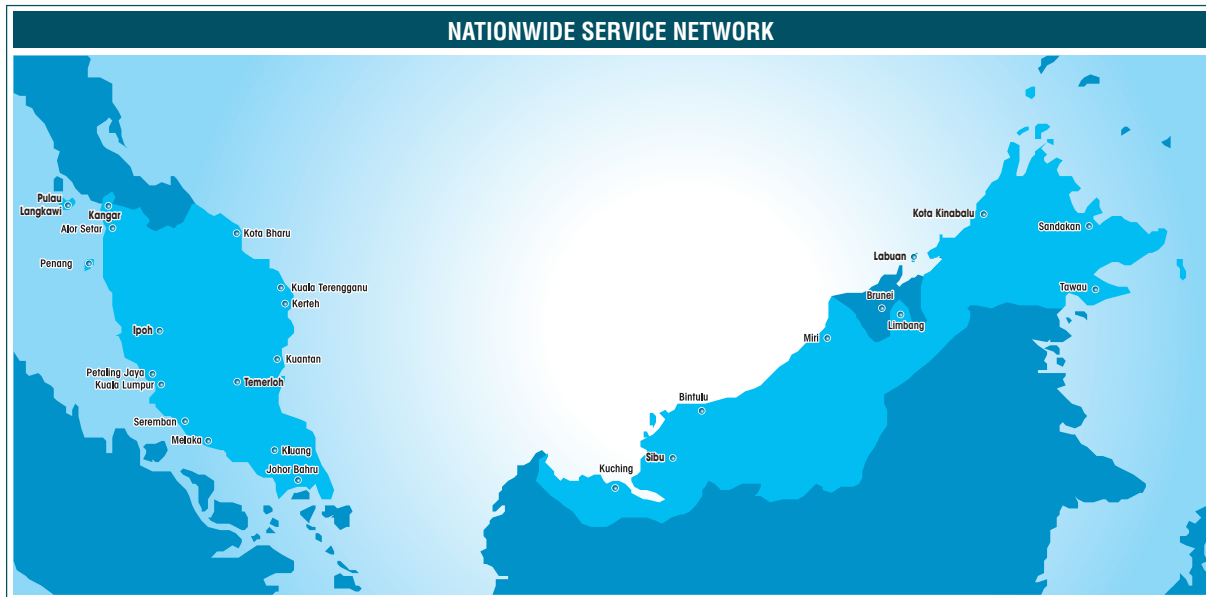
### ▲ NETWORK MANAGED SERVICES

- Network Consolidation & Migration
- Network Assessment
- Network Planning, Design & Implementation
- Network Support
- COINS Franchisee Program
- Broadband Reseller Program
- Solsis IP/VPN Network
- Network Security Assessment, Audit & Management

**OUR SUPPORT INFRASTRUCTURE**

Apart from Dataprep Group’s 33 years of proven group-wide accumulated IT experience and professional staff with proven capabilities in implementing large scaled ICT projects, Dataprep Group is fully equipped to provide the necessary support and back-up tools for its clients. With 25 service centres located nationwide to provide a support network, Dataprep Group’s call centres offers 24-hour service, 7 days a week. The 25 Support Service Centres offer operational and maintenance services.

CORPORATE INFORMATION (CONT'D)



**HQ**

- Petaling Jaya (2)

**NORTHERN REGION**

- Kangar, Perlis
- Ipoh
- Pulau Pinang
- Alor Setar
- Pulau Langkawi

**SOUTHERN REGION**

- Johor Bahru
- Kluang, Johor
- Melaka
- Seremban

**EASTERN REGION**

- Kuantan
- Temerloh
- Kerteh
- Kota Bharu
- Kuala Terengganu

**SABAH**

- Kota Kinabalu
- Sandakan
- Labuan
- Tawau

**SARAWAK**

- Kuching
- Sibiu
- Limbang
- Bintulu
- Miri

## BOARD OF DIRECTORS



**ENCIK MIRZAN BIN MAHATHIR**

Non-Independent Non-Executive  
Chairman

**Encik Mirzan Bin Mahathir**, aged 46, was appointed to the Board in February 1990 and as the Chairman in 1997. He graduated with a Bachelor of Science (Honours) in Computer Science from Brighton Polytechnic, United Kingdom and obtained his Masters in Business Administration from the Wharton Business School, University of Pennsylvania, United States of America.

Between 1982 and 1985, he worked for IBM World Trade Corporation in Malaysia as a Systems Engineer. While pursuing his Masters degree, he joined Salomon Brothers, Inc., in New York as a summer associate in the futures and options trading and bond market research department. Upon completion of his Masters programme in 1987, he rejoined Salomon Brothers Inc. as an associate in the Proprietary Strategies Department, developing and testing analytical tools and trading strategies.

In 1989, he was seconded to the Asia Pacific Investment Banking Department of Salomon Brothers Hong Kong Ltd., where he was involved in financing and valuation analysis of acquisition targets, privatisation and capital market proposals and providing investment banking account coverage for South East Asia.

He currently sits in the Board of several public listed companies namely, Konsortium Logistik Berhad, Worldwide Holdings Berhad, Dolomite Corporation Berhad (formerly known as Sunway Building Technology Berhad), Artwright Holdings Berhad and Nakamichi Corporation Berhad. He is also the President of Container Hauliers' Association of Malaysia (CHAM) and President of the Asian Strategy and Leadership Institute (ASLI).



**DATUK LIM CHEE WAH**

Executive Director

**Datuk Lim Chee Wah**, aged 50, was appointed to the Board on 5 March 2002. He is the founder and President of VXL of the VXL Group of companies. He was formerly the Deputy Managing Director of Genting Berhad and Joint Managing Director of Asiatic Development Berhad.

Datuk Lim graduated from the London School of Economics with a degree in economics.

The formation of VXL Group is part of Datuk Lim's vision to bring into realisation information and communication services and technology transfer as advocated by the Government of Malaysia. Datuk Lim has been involved in the information, communication and technology ("ICT") sector since the early 1990's. He has invested in various business ventures in the ICT sector such as video streaming technology and e-commerce business applications.

Besides investing into the above, together with his team, Datuk Lim is also fast expanding VXL's other core businesses such as construction and financial services.

He also sits on the Board of Kien Huat Berhad and VXL Capital Limited, a Hong Kong public listed company.

**Encik Muhammad Fauzi Bin Abd. Ghani**, aged 42, was appointed to the Board in September 1998. He holds a Master of Business Administration from Ohio University, a Bachelor of Commerce from University of Western Australia as well as a Post-graduate Diploma in Systems Analysis from Institut Teknologi MARA. He is a member of the Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and CPA, Australia. He joined Arthur Andersen & Co as a Tax Accountant in 1985. He then advanced his career by joining Arab-Malaysian as an Assistant Manager in the Corporate Finance department, Sapura Telecommunications Bhd as Group Financial Controller and Head of Strategic & Business Development of Golden Hope Plantations Berhad. All in he has more than 18 years of professional experience. He is presently the Chief Financial Officer of Titan Petrochemicals & Polymers Berhad.

He presently sits on the Audit Committee as an Ordinary Member and is the Chairman of the Remuneration, Quality & Nominating Committee.

He does not hold directorship in other public companies.

**Mr Michael Yee**, aged 66, was appointed to the Board on 31 May 2002. He is an Independent Non-Executive Director as well as the Chairman of the Audit Committee. He graduated with a Bachelor of Commerce from the University of Melbourne. He is a member of the Malaysian Institute of Accountants, the Institute of Chartered Accountant of Australia and the Institute of Certified Public Accountants of Singapore.

He was formerly with Ernst & Whinney (now known as Ernst & Young), an international firm of accountants, as a Senior Partner in Kuala Lumpur before retiring in 1990 after 26 years in professional practice, handling all facets of professional services as a practising accountant. He has successfully implemented several schemes of reconstruction, restructuring and re-listing of public listed companies.

He also sits on the Remuneration, Quality & Nominating Committee as an Ordinary Member.

His directorships in other public companies are Mega First Corporation Berhad, Pacific & Orient Berhad and Pacific & Orient Insurance Berhad.

**Mr Chew Liong Kim**, aged 49, was appointed to the Board on 26 February 2004. He graduated with a Bachelor of Commerce from Auckland University, New Zealand. He is a Chartered Accountant of the Malaysian Institute of Accountants, an Associate Member of the Institute of Chartered Accountant of New Zealand and the Malaysian Institute of Chartered Secretaries and Administrators.

He was a senior partner of the Andersen Worldwide Societe Cooperative, Switzerland. He was also the Asia Pacific Managing Partner of Andersen Business Consulting from 1994 to 1998, Asean Managing Partner of Andersen Business Consulting from 1999 to 2001, as well as Managing Director of Andersen Business Consulting Malaysia from 1995 to 2002. He was a member of Andersen Worldwide Board Nominating Committee from 1997 to 1998 and Chairman of the Advisory Council to the Andersen Worldwide Chief Executive Officer from 1996 to 1998. He was a member of the National Economic Consultative Group in 2000 in his role as Chairman of the Malaysian Bureau of Consultants.

Currently he is member of the Franchise Advisory Board and Advisory Panel of the Professional Services Development Corporation. He has in total 24 years of management and financial consulting experience covering public sector privatization and policy studies, private enterprise transformation, technology implementation and change management for Government, multi-national companies, listed and private enterprises.

He presently sits on the Remuneration, Quality & Nominating Committee as an Ordinary Member.

He does not hold directorship in other public companies.



**ENCIK MUHAMMAD FAUZI BIN ABD. GHANI**

Independent Non-Executive Director



**MR MICHAEL YEE KIM SHING**

Independent Non-Executive Director



**MR CHEW LIONG KIM**

Executive Director/  
Chief Executive Officer



**LEADERSHIP PROFILE**
**CHEW LIONG KIM**  
 Executive Director/  
 Chief Executive Officer

**DATUK LIM CHEE WAH**  
 Executive Director/Head of  
 Strategy and Overseas Expansion

**AHMAD RIZAN BIN IBRAHIM**  
 Head of Sales,  
 Industries and Alliances

**CHEW LIONG KIM**
*Executive Director/Chief Executive Officer*

The details of Mr Chew Liong Kim are disclosed under the Directors' profile which appears on page 14 of this Annual Report.

**DATUK LIM CHEE WAH**
*Executive Director/Head of Strategy and Overseas Expansion*

The details of Datuk Lim Chee Wah are disclosed under the Directors' profile which appears on page 13 of this Annual Report.

**AHMAD RIZAN BIN IBRAHIM**
*Head of Sales, Industries and Alliances*

**Encik Ahmad Rizan**, aged 41, has two Bachelor of Science degrees in Computer Science and Management Science, and a Master of Computer Science and MBA from Oregon State University, Corvalli, Oregon.

Ahmad Rizan was a partner with Business Consulting in Arthur Andersen and also the Head of Andersen's ASEAN Enterprise Application Line-of-Business. He also served as the Andersen's Asia Pacific Head of Enterprise Application for two years. He is currently the Vice Chairman of Malaysian Bureau of Consultants. Prior to joining Arthur Andersen, he served as the Consulting Director for Oracle Systems Malaysia Sdn. Bhd.

Ahmad Rizan is the Head of Sales, Industries and Alliances of Dataprep Group. He is also the Managing Director of HRM Business Consulting Sdn Bhd and Solsis (M) Sdn Bhd. He has over 16 years of management and consulting experience in ICT Strategic Master Plan, technology design and implementation, package implementation, custom implementation, operations management, eBusiness, project management, and general management for government and manufacturing sectors.

**NG KEOK ANG**  
Head of Outsourcing and  
Managed Services



**NG KEOK ANG**

*Head of Outsourcing and Managed Services*

**Mr Ng Keok Ang**, aged 49 and a Malaysian, has a Diploma in Electronics and Telecommunication from Singapore Polytechnic and a Diploma in Management from Malaysian Institute of Management.

Currently, he is the Head of Outsourcing and Managed Services for Dataprep Holdings Berhad. He has over 26 years of management and operational experience in ICT covering service management, business process reengineering and quality system.

He is a member of the Malaysian Institute of Management, a member of the Association for Service Management International and also a member of the Helpdesk Institute.

**SINGAM MUTHUTHAMBY**

*Head of Consulting & Integration*

**Mr Singam Muthuthamby**, aged 45 and a Malaysian, has a Bachelor of Science (Hons) in Business Administration from University of Upper Iowa, USA. He is also an Associate Computer Professional of Institute for Certification of Computer Professionals, USA, and a Member of the Malaysian Institute of Management.

Singam Muthuthamby was a Director with Business Consulting in Arthur Andersen and also the Head of Supply Chain & Digital Markets Practice for ASEAN. Prior to joining Arthur Andersen in 2001, he was attached to Compaq Computer Corporation as their Director of their Professional Services Division in Indonesia. He was also a Senior Program Manager with Digital Equipment Corporation in Malaysia and supporting their Asia Pacific operations. He had also held other senior management positions; Head of Group IT with the Amanah Capital Group, Manager for Systems Management with Maxis Bhd, Director for the Bureau of Information Systems with the State Public Defenders of Wisconsin, and as a Senior Systems Analyst with the University of Wisconsin System Administration in Wisconsin.

**SINGAM MUTHUTHAMBY**  
Head of Consulting & Integration



**TAN HOCK CHYE**  
Head of Business Support



Currently, Singam is Head of Consulting & Integration of Dataprep Holdings Bhd. He is also an Executive Director of HRM Business Consulting Sdn Bhd. He has over 22 years of management and consulting experience in technology planning, technology implementation, operations management, eBusiness, project management, and general management for banking and finance, government, telecommunications, and oil and gas industries.

**TAN HOCK CHYE**

*Head of Business Support*

**Mr Tan Hock Chye**, aged 45 and a Malaysian, is a Chartered Accountant of the Malaysian Institute of Accountants. He is also a Fellow Member of the Chartered Institute of Management Accountants, United Kingdom and has a Master of Business Administration (Honors) from Oklahoma City University, USA.

He has over 22 years of management and financial experience in the private sector involving nurturing newly start-ups, corporate restructuring and debt reorganization, financial systems implementation, operations and general management for retailing, manufacturing, publishing, trading, transportation, tourism and oil and gas industries.

Currently, he is the Head of Business Support of Dataprep Holdings Bhd. He had previously held other senior management positions in multinational and public companies.

He was the Deputy President of MATTA (Malaysian Association of Travel and Tour Agencies), Honorary Treasurer of Japan Airlines Select Consortium, Committee Member of PPTF (Policies and Procedures Task Force), United Engineers Bhd. and was a Member of the British Institute of Management.

**CHAIRMAN'S STATEMENT**

On behalf of the Board of Directors of Dataprep Holdings Berhad, I am pleased to present the 15<sup>th</sup> Annual Report for the financial year ended 31<sup>st</sup> March 2004.

**FINANCIAL PERFORMANCE**

The Group recorded a higher loss before tax of RM38.17 million for the year ended 31<sup>st</sup> March 2004 as compared to RM33.73 million in the previous year.

The loss was mainly attributed to Management's prudent decision to undertake a group-wide assessment of the carrying value and impairment of existing assets, in line with the rationalization and restructuring of the Group's operations. As a result, the Group suffered an exceptional charge of RM19.29 million whereas loss from operations was RM18.88 million.

**OPERATIONS REVIEW**

During the year, the Group consolidated its core competencies into three main businesses, namely Consulting, Integration and Outsourcing. This move was initiated to sharpen our client focus and achieve economies of scale following the various rationalization measures that were undertaken.

In February 2004, the Board of Directors approved 4 main strategies i.e.

- i. Expand the Group's 24 nationwide service centers to cope with the rising customer demands. This includes moving up the value chain of Managed Services into Application and Business Process Outsourcing.
- ii. Improve sales effectiveness and customer satisfaction by focusing on 50 key accounts.
- iii. Differentiate the Group's capabilities by building and teaming with global alliances in 4 major industries.
- iv. Realign backoffice functions to better support the market-facing and solution-delivery teams via office automation, business-intelligence and knowledge-sharing systems.

The Board believes that the above strategies will place the Group on a stronger footing to meet its future challenges.

**PROSPECTS**

In line with International Data Corporation's prediction of an 8% growth in IT spending for Malaysia in 2004, the Group is poised to participate in this revenue growth. Other growth

prospects would involve a renewed focus on the provision of IT solutions and services for both the private and public sectors particularly the drive by government-linked companies towards higher performance and global competitiveness.

The Board is optimistic of next year's revenue and earnings prospect and is confident that our Management will be able to build upon the efforts to reinvent itself in the coming year. This will further strengthen our Dataprep brand and improve our market share and competitive position in Malaysia's business consulting, systems integration, outsourcing and managed services.

The Board believes that the Group is on the path of profitability.

**ACKNOWLEDGEMENTS**

On behalf of the Board, I would like to welcome Mr. Chew Liang Kim who joined the Board in February 2004. As part of the succession plan, Mr. Chew also assumed the role of Group Chief Executive Officer succeeding Datuk Lim Chee Wah who will remain as Executive Director, responsible for Strategy and Overseas Expansion. The Board also wishes to record their appreciation to Dato' Mohamad Rais bin Zainuddin, who resigned as Independent Non-Executive Director on 13<sup>th</sup> May 2004. He will be devoting his time fully in the public service.

Sincere appreciation goes to our shareholders, various government agencies, bankers, business associates and customers for their continued support, confidence and trust in our Group during the past year.

Finally, to the Management and Staff, I would like to thank them for their understanding in the changes that the Group has undergone during the past two years. Their continuing commitment in the Group is deeply appreciated.

**MIRZAN MAHATHIR**

Chairman

20 August 2004

## STATEMENT ON INTERNAL CONTROL

### INTRODUCTION

The Malaysian Code on Corporate Governance stipulates that the Board of Directors of listed companies should maintain a sound system of internal control to safeguard shareholders' investment and Group assets. Set out below is the Board of Directors' Statement on Internal Control made in compliance with paragraph 15.27 of the BMSB's (Bursa Malaysia Securities Berhad) Listing Requirements and the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

### RESPONSIBILITY

The Board acknowledges its responsibility to maintain a sound system of internal controls and effective risk management practices in the Group to safeguard shareholders' investment and Group assets. The Board ensures continuously the adequacy and integrity of the overall internal control system for the Group. The Board also recognizes that the system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. In this regard, internal control can provide only reasonable and not absolute assurance against material misstatements or losses.

### RISK MANAGEMENT

The Board has always regarded risk management as an integral part of the Group's system of internal controls. Whilst the Group is in the process of establishing a formal and structured Enterprise Risk Management framework, management is constantly aware of the risks affecting the group and has implemented appropriate controls to manage those risks. These controls have been embedded into the operations such as the Deals Review Committee and the Bid & Contract Management Process to mitigate the project risks.

### MANAGEMENT PROCESSES

A well-defined organisation and management structure and reporting line reinforces the systems of internal control of the Group, which ensure its continued relevance and effectiveness. Some of the management disciplines include pre-defined chart of responsibility that provides clear lines of delegated authority to the various management levels along functional lines.

The Group also operates a comprehensive integrated information system that provides for transactions to be captured, compiled and reported. The automated information system provides management with dependable data, analyses, variations, exceptions and other inputs relevant to their performance. In addition, a detailed annual budget is prepared at the beginning of the financial year.

In some of the Group's business operations, periodic meetings are held to ensure that progress, exceptions and variations are fully discussed and appropriate actions are taken. This ensures that business objectives stay on course.

To ensure effectiveness of the systems of internal control and its continuity, the group maintains an established human capital function to ensure that the people driving key operations are sufficiently skilled and exert the required qualities of professionalism and integrity in their conduct. There are continuous education and training programs to enhance the skills of employees and to reinforce such qualities.

The Board is responsible for setting the business direction including a clear Group vision, mission and strategic direction, which is communicated to employees at all levels. The Board also oversees the conduct of the Group's operations through various management reporting mechanisms. Through these mechanisms the Board is informed of all major control issues pertaining to internal control, regulatory compliance and risk management.

The intranet is used as an effective means of communication and knowledge sharing at all levels.

## MONITORING AND REVIEW

The Board has delegated day-to-day functions to the CEO, who is supported by a team of corporate officers to assist with the carrying out of his duties. Part of his role is to drive each of the business operations in a manner that ensure the integrity of the internal control systems and effective risk management practices are in place throughout the year.

From a process viewpoint, the CEO presides over regular management meetings in each of the business operations. These meetings review financial performance, business issues including internal control matters and risk management.

The Group has an internal audit function whose primary responsibility is to assure the Board, through the Audit Committee, that the internal control systems function as intended. In providing this assurance, the Internal Audit Unit carries out regular audits to review the adequacy and integrity of the internal control systems and thereafter the report of shortcomings together with recommendations as appropriate are submitted to the Audit Committee. These together with the external auditors' findings arising from the audit of the statutory financial statements provide further assurance of the soundness and effectiveness of the internal control systems. In addition, as part of the requirements of the ISO 9001 certification accredited to two subsidiaries, scheduled audits are conducted internally as well as by the SIRIM auditors. Results of these audits are reported to the Audit Committee.

## SUMMARY

The systems of internal control described in this statement are considered appropriate to the business operations. Also, that the risks taken are at an acceptable level within the context of the business environment throughout the Group. Therefore, the systems of internal control that exist throughout the year provide a level of confidence on which the Board relies for assurance.

This statement is made in accordance with the resolution of the Board of Directors dated 29 May 2004.

## STATEMENT OF CORPORATE GOVERNANCE

### INTRODUCTION

The Company is fully committed to good corporate governance and the following statement describes the practices adopted by it in compliance with the Principles and Best Practices of Corporate Governance pursuant to Part 1 and 2 of the Malaysian Code on Corporate Governance. In preparing this report, the Board has considered the manner in which it has applied the Principles of the Code and the extent to which it has complied with the Best Practices of the Code.

### BOARD OF DIRECTORS

The responsibility of the Board includes setting the strategies and succession plans for the Group and overseeing the conduct of the Group's business to ensure that the business is properly managed, taking into consideration the following core values of the Dataprep Group:

- (i) Enhance/increase enterprise values of the Dataprep Group,
- (ii) Leverage on core competencies of the Dataprep Group,
- (iii) Management of project risks,
- (iv) Enhance the Dataprep Group reputation and brand.

The composition of the Board, which is in compliance with the Listing Requirements of the Bursa Malaysia Securities Berhad ("BMSB"), includes 1 Non-Independent Non-Executive Director, 1 Non-Independent Executive Director, 2 Independent Non-Executive Directors and 1 Chief Executive Officer. The Directors are made up of qualified and experienced professionals in the fields of accountancy, computer science and economics. A brief description of the background of each director is contained in the Directors' Profile section. This composition and combination of different skills ensures an effective Board decision-making process and enables the Board to efficiently lead and control the Company.

The Directors participate actively in the overall management and stewardship of the Company. There were eight Board meetings held in FY2004 where all Directors were provided with a complete set of Board papers prior to the said meetings. The Board papers include a comprehensive write-up on the latest status of the Company's finance, operations and administrative matters, and any significant changes in the key business strategies of operating units. Annual budgets, business plans and strategies were presented to and approved by the Board at these meetings.

The Directors have direct access to the advice and services of the Company Secretaries, and they may seek external professional advice if required by them.

All Directors will retire at regular intervals by rotation at least every three years and they shall be eligible for re-election.

To-date, the Board has not found it necessary to identify a senior independent non-executive Director to whom concerns may be conveyed, mainly because the Board operates in an open environment where opinions and information are freely exchanged. In these circumstances, any concerns need not be focused on a single director as all members of the Board fulfill this role collectively.

The Directors consider that, in preparing the financial statements of the Company and of the Group for the financial year ended 31 March 2004, the Company and the Group have used appropriate accounting policies and applied them consistently, reasonably and prudently. The Directors also consider that all applicable approved accounting standards have been followed in the preparation of the financial statements.

The directors are responsible to ensure that the Company and its subsidiaries keep accounting records which disclose with reasonable accuracy the financial position of the Company and of the Group and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965. In addition, the Directors are responsible to take such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

## SHAREHOLDERS

The Board recognizes the importance of effective communication with shareholders and the investing community. Shareholders and the investing community are kept well informed of developments and performances of the Company through disclosures to the BMSB and press (where appropriate) as well as the Annual Report.

Adequate time is given during Annual and Extraordinary General Meetings to allow the shareholders to seek clarifications or ask questions on pertinent and relevant matters.

In addition to the above, the Company is always willing to meet up with institutional investors when the need arises, to elaborate or further clarify information already disclosed to the other shareholders. Price sensitive and any information that may be regarded as undisclosed material information about the Group is not disclosed until the prescribed announcement to the BMSB has been made.

## ACCOUNTABILITY AND AUDIT

The Directors are responsible for the preparation of the annual audited accounts. The Board took due care and reasonable steps, which include taking cognizance of the Audit Committee's recommendation, to ensure that the accounts and the other financial reports of the Company and of the Group are prepared in accordance with applicable approved accounting standards and the provisions of the Companies Act, 1965.

Quarterly results are only released to the BMSB after scrutiny by the Audit Committee and approved by the Board of Directors. At the end of each financial year, a comprehensive Annual Report is published and sent to all the shareholders at least 21 days before the date of the Annual General Meeting. This report is prepared in accordance with the latest BMSB guidelines and is available to the public.

The Audit Committee plays an active role in helping the Board discharge its governance responsibilities. The Committee works within the purview of the terms of reference, which have been drafted in accordance with the Listing Requirements of BMSB. The role of the Committee in relation to the external auditors is also embodied under its terms of reference. A separate report on the Audit Committee is contained on pages 25 to 30 of this Annual Report.

The Internal Audit Unit reports directly to the Audit Committee. Their role is to carry out regular visits to the operating units to ensure compliance with the Group's policies, procedures and internal control systems. They have also adopted a risk based approach when carrying out their audits. The findings are all properly documented and presented to the Audit Committee, with copies to the parties concerned, so that timely corrective measures can be taken.

The Internal Audit Unit has also assumed a full participating role as advocated by the Professional Practice Framework in assisting management in the facilitation and enabling of risk management processes for the Group.

The Board acknowledges its overall responsibility for maintaining the system of internal controls to safeguard shareholders' investment and the Company's assets. The Statement on Internal Control made in pursuance of paragraph 15.27 of the Listing Requirements of BMSB is separately set out on pages 18 to 19 in this Annual Report.

## COMPLIANCE WITH BEST PRACTICES OF CORPORATE GOVERNANCE

The Group was substantially in compliance with the Best Practices of Corporate Governance throughout FY2004, with the exception of the following:-

- We have not appointed a senior independent non-executive director, to whom concerns can be conveyed. We do not believe there is such a necessity because all our Board members actively and freely participate during Board meetings.
- Currently only an informal briefing is provided to new directors on the group's operations. However, the Board is in the process of developing a formal structured in-house induction program for new directors appointed to the Board which will involve educating the directors as to the nature of the business, corporate strategy, current issues affecting the group, the group's expectations of the directors and the general responsibilities of a director and of the Board as a whole.

## OTHER INFORMATION

- **Material Contracts with Related Parties**

There are no other material contracts subsisting at the end of the financial year or entered into since the end of the previous financial year by the Company and its subsidiaries which involves interests of directors and major shareholders except for those disclosed in note 31 to the financial statements.

- **Sanctions and/or Penalties Imposed**

There are no sanctions or material penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

- **Share Buy-backs**

There was no share buy-back by the Company for the financial year.

- **Options**

On 17 December 2003 and 11 July 2004, options of 2,209,000 shares and 2,141,000 shares respectively in the Company were granted pursuant to its Employee Share Option Scheme (ESOS). The ESOS was approved by shareholders at an Extra Ordinary General Meeting dated 18 January 2002. As at 11 July 2004, a total of 80,200 ESOS options were exercised by employees.

- **American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme**

The Company did not sponsor any ADR or GDR programme during the financial year.

- **Non-audit Fees**

Apart from the audit fee, there is no other fee paid to the External Auditors.

- **Profit Estimate, Forecast, Projection or Unaudited Results**

The Company did not issue any profit estimate, forecast or projection for the financial year. There is no variance between the audited results for the financial year and the unaudited results previously announced by the Company.

- **Profit Guarantee**

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

- **Revaluation of Landed Properties**

The Company does not have a revaluation policy on landed properties.



**OTHER INFORMATION (CONTINUED)**
**• Recurrent Related Party Transactions of a Revenue or Trading Nature**

At the 14th AGM of the Company held on 25th September 2003, the shareholders have granted a mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature (“mandated Recurrent Transactions”) with person who are “Related Parties” as defined in Chapter 10 of the Bursa Malaysia Listing Requirements. The breakdown of aggregate value paid/payable for the Mandated Recurrent Transactions during the financial year ended 31 March 2004 are set out below:-

	<b>RM</b>
1. Provision of ICT related services to the Genting Group	11,955
2. Subscription charges for provision of Instant Office, an online application service to Kien Huat Development Sdn Bhd	7,201
3. Providing services to VXL Holdings Sdn Bhd for the subscription of online application service for Instant Office	5,629
4. Providing services to Artwright Holdings Bhd for the subscription for online application services for Instant Office	600

<b>Relationship with Related Parties</b>	
<b>Names of Related Party</b>	<b>Relationship</b>
Genting Group	Datuk Lim Chee Wah is the brother to Tan Sri Dato Lim Kok Thay, the Chairman, President and Chief Executive Officer of Genting.
Kien Huat Development Sdn Bhd	A wholly owned subsidiary of VXL Construction Sdn Bhd which in turn is wholly owned by VXL Holdings Sdn Bhd. Dataprep Holdings Bhd is a 45.4% associate company of VXL Holdings Sdn Bhd.  Datuk Lim Chee Wah is a major shareholder of Gryps Asset Management Sdn Bhd, which in turn wholly owns VXL Holdings Sdn Bhd.  Datuk Lim Chee Wah is a Director of Dataprep Holdings Bhd, VXL Holdings Sdn Bhd, Gryps Asset Management Sdn Bhd and Kien Huat Development Sdn Bhd.
VXL Holdings Sdn Bhd	A major shareholder of Dataprep Holdings Bhd.
Artwright Holdings Bhd	Encik Mirzan bin Mahathir is the Chairman of Artwright Holdings Bhd. He is also a substantial shareholder of Artwright Holdings Bhd.

**REMUNERATION, QUALITY & NOMINATING COMMITTEE**

Remuneration, Quality & Nominating Committee (“RQN”) was formed on 25 November 2002. Its principal roles are, inter-alia, as follows:-

- (i) To review and recommend to the Board for approval, the remuneration packages for Executive Directors
- (ii) To review and recommend to the Board for approval, the Group’s framework for the Performance-Linked Compensation (PLC) scheme;
- (iii) To review and recommend to the Board for approval, the appointment of new Directors; and
- (iv) To review and recommend to the Board for approval, the policy and framework for the employee share option scheme administered by the Option Committee.

The RQN comprises En. Muhammad Fauzi Bin Abd Ghani (Chairman), Mr. Michael Yee Kim Shing, Mr Chew Liong Kim and Dato’ Mohamad Rais Bin Zainuddin who has resigned as Director of the Company on 13 May 2004. The RQN meets as and when necessary and can also make decisions by way of circular resolution. The RQN held one meeting during the financial year ended 31 March 2004. The meeting was attended by En. Muhammad Fauzi Bin Abd Ghani and Dato’ Mohamad Rais Bin Zainuddin.

All the Directors have successfully completed the Mandatory Accreditation Programme as required under the listing Requirements of Bursa Malaysia. The Directors are also attending training courses and seminars under the Continuing Education Programme.

## BOARD ATTENDANCE

In FY2004, the composition of the Board, together with the attendance of the respective Directors at Board meetings are as follows:-

Name of Directors	Attendance
Encik Mirzan Bin Mahathir	4/8
Datuk Lim Chee Wah	7/8
Dato' Mohamad Rais Bin Zainudin (resigned on 13 May 2004)	8/8
Encik Muhammad Fauzi Bin Abd Ghani	7/8
Mr Michael Yee Kim Shing	8/8
Mr Chew Liong Kim (appointed on 26 February 2004)	1/1

## DIRECTORS' REMUNERATION

The RQN, as stated above, is entrusted with the role of reviewing and recommending a suitable policy and framework in respect of the remuneration packages for Executive Directors of the Company. There are only two Executive Directors, namely Mr. Chew Liong Kim and Datuk Lim Chee Wah. Mr. Chew Liong Kim was appointed as the Director and Chief Executive Officer (CEO) of the Company on 26 February 2004. He is also the Executive Chairman of HRM Business Consulting Sdn Bhd, a 51% subsidiary of the Dataprep Holdings Bhd.

In accordance with an arrangement pursuant to a letter of appointment of Datuk Lim Chee Wah, no remuneration would be accorded to him for his services provided to the Group except for reimbursable claims in respect of business expenses.

The fees payable to Non-Executive Directors are approved by the shareholders at the Annual General Meeting based on the recommendation of the Board. The fees payable to each of the Non-Executive Director is determined by the Board as a whole. The Board maintains that the current remuneration for each category of Director commensurate with that adopted by companies of similar standing, and is sufficient to attract and retain directors of high caliber.

The aggregate remuneration of the Directors during the year are categorized into appropriate components as follows:-

	Emolument (RM)	Fee (RM)	Total (RM)
Executive Director	40,021	–	40,021
Non-Executive Directors	–	150,000	150,000

Remuneration categories of the Directors during the financial year are as follows:-

Range of remuneration	Number of Directors	
	Executive Director	Non-Executive Director
Nil	1	–
Below RM50,000	1	3
RM50,001 - RM100,000	–	1

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors is required to ensure that financial statements for each financial year are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Company and the Group as at the financial year end and of the results and cash flows of the Company and the Group for the financial year.

## AUDIT COMMITTEE REPORT

for the financial year ended 31 March 2004

### 1. COMPOSITION

There are three (3) Audit Committee members, of whom two (2) are independent, non-executive directors.

The Members of the Audit Committee are as follows:

Chairman : Mr. Michael Yee Kim Shing\* (Independent, Non-executive Director)

Members : En. Muhammad Fauzi bin Abd Ghani\* (Independent, Non-executive Director)  
Datuk Lim Chee Wah (Executive Director)

\*Member of MIA

The Secretaries to the Audit Committee are Chen Shien Yee and Koh Ai Hoon.

### 2. TERMS OF REFERENCE

The Audit Committee's Terms of Reference are as follows:

#### 2.1 Membership

The Audit Committee shall be appointed by the Board of Directors from amongst its numbers, which fulfils the following requirements:

- a. The Committee must be composed of no fewer than three (3) members;
- b. The majority of the members of the committee must be Independent Directors as prescribed in the Listing Requirements of the BMSB;
- c. At least one person of the Committee must be a member of the Malaysia Institute of Accountants; or who must have at least 3 years working experience and:-
  - (i) have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
  - (ii) is a member of one of the Associations specified in Part II of the First Schedule of the Accountants Act, 1967;
- d. No alternate Directors shall be appointed as a member of the Committee;
- e. The members of the Committee shall elect a Chairman from among themselves who shall be an Independent Director;
- f. If a member of the Committee resigns or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three months appoint such number of new members as may be required to make up the minimum of three (3) members; and
- g. All members of the Committee, including the Chairman, will hold office only so long as they serve as Directors of Dataprep Holdings Berhad (the Company). The Board of Directors shall review the terms of office and performance of the Committee and each of its members at least once every three (3) years.

## 2. TERMS OF REFERENCE (CONTINUED)

### 2.2 Functions and Duties

2.2.1 To review and recommend for the Board's approval, the Internal Audit Charter which defines the independence, purpose, authority, scope and responsibility of the internal audit unit in the Company and the Group.

2.2.2 To review the following and report to the Board:-

a. With the External Auditors

- (i) the audit plan and audit report and the extent of assistance rendered by employees of the auditees;
- (ii) their evaluation of the systems of internal controls;
- (iii) the audit fee and on matters concerning their suitability for nomination, appointment and re-appointment and the underlying reasons for resignation or dismissal as Auditors;
- (iv) the management letter and management's response; and
- (v) issues and reservations arising from audits.

b. With the Internal Audit Unit

- (i) the adequacy and relevance of the scope, functions and resources of internal audit and the necessary authority to carry out its work;
- (ii) the audit plan of work programme and results of internal audit processes including actions taken on recommendations;
- (iii) the extent of co-operation and assistance rendered by employees of auditee;
- (iv) the appraisal of the performance of the internal audit unit including that of the senior staff and any matters concerning their appointment and termination;
- (v) the ISO 9001 quality audit plan of work programme and results of internal quality audit processes including recommendations on corrective and preventive actions; and
- (vi) the risk management framework and the processes in place to monitor and manage risk including recommendations on corrective and preventive actions.

c. The quarterly results and year-end financial statement of accounts prior to the approval by the Board, focusing particularly on

- (i) changes and implementation of major accounting policies and practices;
- (ii) significant and unusual accounting issues;
- (iii) going concern assumptions; and
- (iv) compliance with the accounting standards, regulatory and other legal requirements.

d. The major findings of investigations and management responses.

e. The propriety of any related party transactions and conflict of interest situations that may arise within the Company or the Group including any transactions, procedures or course of conducts that raise questions of management integrity.

## 2. TERMS OF REFERENCE (CONTINUED)

### 2.2 Functions and Duties (Cont'd)

2.2.3 To report any breaches of the Listing Requirements which have not been satisfactorily resolved, to the BMSB.

2.2.4 To prepare the Audit Committee Report for inclusion in the Company's Annual Report covering:-

- a. The composition of the Committee including the name, designation and directorship of the members;
- b. The terms of reference of the Committee;
- c. The number of meetings held and details of attendance of each member;
- d. A summary of the activities of the Committee in the discharge of its functions and duties; and
- e. A summary of the activities of the Internal Audit Unit.

2.2.5 To review the following for publication in the Company's Annual Report:-

- a. The disclosure statement of the Board on:-
  - (i) the Company's applications of the principles set out in Part I of the Malaysian Code on Corporate Governance; and
  - (ii) the extent of compliance with the best practices set out in Part II of the Malaysian Code on Corporate Governance, specifying reasons for any area of non-compliance and the alternative measures adopted in such areas.
- b. The statement on the Board's responsibility for the preparation of the annual audited financial statement of accounts;
- c. The disclosure statement on the state of the system of internal controls of the Company and of the Group; and
- d. Other disclosures forming the contents of annual report spelt out in Part A of the Appendix 9C of the Listing Requirements of the BMSB.

The above functions and duties are in addition to such other functions as may be agreed to from time to time by the Committee and the Board.

## 2. TERMS OF REFERENCE (CONTINUED)

### 2.3 Rights and Authority

In carrying out its duties and responsibilities, the Committee will have the following rights:

- a. Have explicit authority to investigate any matters within its terms of reference;
- b. Have adequate resources required to perform its duties;
- c. Have full and unrestricted access to information, records, properties and personnel of the Company and of the Group;
- d. Have direct communication channels with the internal and the external auditors; and
- e. Be able to obtain independent professional or other advice and to invite outsiders with relevant experience and expertise to attend the Committee's meetings when considered necessary.

### 2.4 Meetings

- a. The Committee shall hold a minimum of at least four (4) meetings in a financial year;
- b. The meeting shall be chaired by the Chairman or in his absence, another member who is an Independent Director nominated by the Committee. The quorum for the meeting shall consist of at least two (2) members, the majority of whom shall be Independent Directors. The Chairman also has the discretion to call for additional meetings as warranted;
- c. The Company Secretary shall act as Secretary of the Committee and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting;
- d. The Secretary of the Committee shall be entrusted to record all proceeding and minutes of all meetings of the Committee;
- e. The External Auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so;
- f. The Internal Auditors shall be in attendance at all meetings to present and discuss the audit reports and other related matters and the recommendations relating thereto and to follow up on relevant decisions made;
- g. Upon the request of any member of the committee, non-member directors, the internal or the external directors, the chairman shall convene a meeting to consider the matters brought to its attention;
- h. The committee may invite any non-member director or employee of the Company and of the Group, who the committee thinks fit and proper to attend its meeting to assist in its deliberations and resolution of matters raised;
- i. The Committee to convene meetings with external auditors without the presence of the executive directors, whenever deemed necessary; and
- j. In addition to the availability of the detailed minutes of the meetings to all Board members, the Committee at each Board meeting will report a summary of significant matters and resolutions.

## 2. TERMS OF REFERENCE (CONTINUED)

### 2.5 Internal Audit Unit

- a. The Head of the Internal Audit Unit shall have unrestricted access to Committee members and report to the Committee whose scope of responsibility includes overseeing the development and the establishment of the Internal Audit Unit.
- b. In respect of routine administrative matters, the Head of the Internal Audit Unit shall report to the Group CEO.

## 3. ATTENDANCE AT MEETINGS

The Committee met 6 times during the financial year ended 31 March 2004. The attendance record of the Committee members is as follows:

Name of Committee Member	Number of Meetings Held	Number of Meetings Attended
Mr. Michael Yee Kim Shing	6	6
Datuk Lim Chee Wah	6	3
En. Muhammad Fauzi bin Abd Ghani	6	6

## 4. ACTIVITIES OF THE COMMITTEE

The summary of the activities of the Audit Committee in the discharge of its duties and responsibilities for the financial year ended 31 March 2004 includes the following:

- (a) Reviewed the adequacy and relevance of the scope, function, resources, risk based audit plan and results of the internal audit processes, with the Internal Audit Unit;
- (b) Reviewed the internal audit reports (including management's response) which covers the review of internal control systems, accounting and information systems, corporate governance practices and risk management processes including reports on ad-hoc assignments requested by management;
- (c) Reviewed with management and the Internal Audit Unit the proposal on the Role of Internal Audit in the Enterprise Risk Management process;
- (d) Appraised the performance of the internal audit unit including that of the head of internal audit and any matters concerning their appointment and termination;
- (e) Reviewed with the External Auditors their audit plans (inclusive of system evaluation, audit fees and management letter) prior to the commencement of the annual audit;
- (f) Reviewed the year-end audited financial statements, the audit reports, issues and reservations arising from the audit and the management letter together with management's responses, with the External Auditors;
- (g) Reviewed the quarterly financial statements and year-end audited financial statements and the quarterly reports for announcement to the BMSB;
- (h) Reviewed the disclosure of the related party transactions entered into by the Company and the Group and any conflict of interest situation and questionable transactions which may have an impact on management's integrity;
- (i) Reviewed the recurrent related party transactions of the Group in accordance with the guidelines and procedures established by the Group and ensured that the review procedures are operating as intended;

#### 4. ACTIVITIES OF THE COMMITTEE (CONTINUED)

The summary of the activities of the Audit Committee in the discharge of its duties and responsibilities for the financial year ended 31 March 2004 includes the following: (Cont'd)

- (j) Updated and advised the Board with the latest changes and pronouncements issued by the accountancy, statutory and regulatory bodies;
- (k) Reported to and updated the Board on significant issues and matters discussed during the Committee's meetings and where appropriate, made the necessary recommendation to the Board. Minutes of all Committee meetings were made available to all Board members;
- (l) Prepared the Audit Committee Report for the inclusion in the Company's Annual Report; and
- (m) Reviewed with the disclosure statements on compliance of the Malaysian Code on Corporate Governance, Board's responsibility for preparing the annual audited accounts and the Statement of Internal Control ("SIC"), the negative assurance in respect of the review on the SIC provided by the External Auditors (Para 15.24 of the Listing Requirements of the BMSB) and other statements for publication in the Company's Annual Report.

#### 5. INTERNAL AUDIT UNIT

The summary of activities of the Internal Audit Unit for the financial year ended 31 March 2004 is as follows:

- (a) Prepared the annual Audit Plan for the Audit Committee's approval;
- (b) Carried out risk based audits of strategic business units of the Group which covers reviews of the internal control system, accounting and management information systems and risk management including ad-hoc assignments requested by the management;
- (c) Issued audit reports to the Audit Committee and management identifying weaknesses and providing recommendations for improvement;
- (d) Assisted the Audit Committee in the review of the quarterly financial statements and year-end audited financial statements and quarterly reports for announcement to the BMSB;
- (e) Assisted the Audit Committee in the review of the disclosure of the related party transactions and any conflict of interest situation and questionable transactions, and report thereon in the audit report;
- (f) Assisted the Audit Committee in the review of the recurrent related party transactions of the Group in accordance with the guidelines and procedures established by the Group and ensured that the review procedures are operating as intended;
- (g) Assumed a full participating role as advocated by the Professional Practice Framework in assisting management in the facilitation and enabling of risk management processes for the Group;
- (h) Followed up on management corrective actions on audit issues raised by the unit and determined whether corrective actions taken had achieved the desired results;
- (i) Attended all Audit Committee meetings to table and discuss the audit reports and follow up on matters raised, and
- (j) Carried out ISO 9001 internal quality audits of the Group and issued audit reports to the Audit Committee and management that identify weaknesses and provide recommendations for improvement.



# FINANCIAL STATEMENTS

Directors' Report	32
Income Statements	39
Balance Sheets	40
Statement of Changes in Equity	41
Cash Flow Statements	45
Notes to the Financial Statements	47
Statement by Directors	81
Statement of Declaration	81
Report of the Auditors	82
Shareholdings Statistics / <i>Perangkaan Pegangan Saham</i>	83
Warrant Statistics / <i>Perangkaan Warrant</i>	85
ICULS-3 Statistics / <i>Perangkaan ICULS-3</i>	87
ICULS-5 Statistics / <i>Perangkaan ICULS-5</i>	89
Proxy Form	