DATAPREP

Since 1971

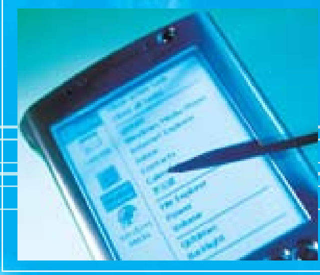
Consulting>Integration>Outsourcing

DATAPREP HOLDINGS BHD

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

Annual Report 2008

unleash



compete

grow

contents

corporate vision and mission statements

our vision

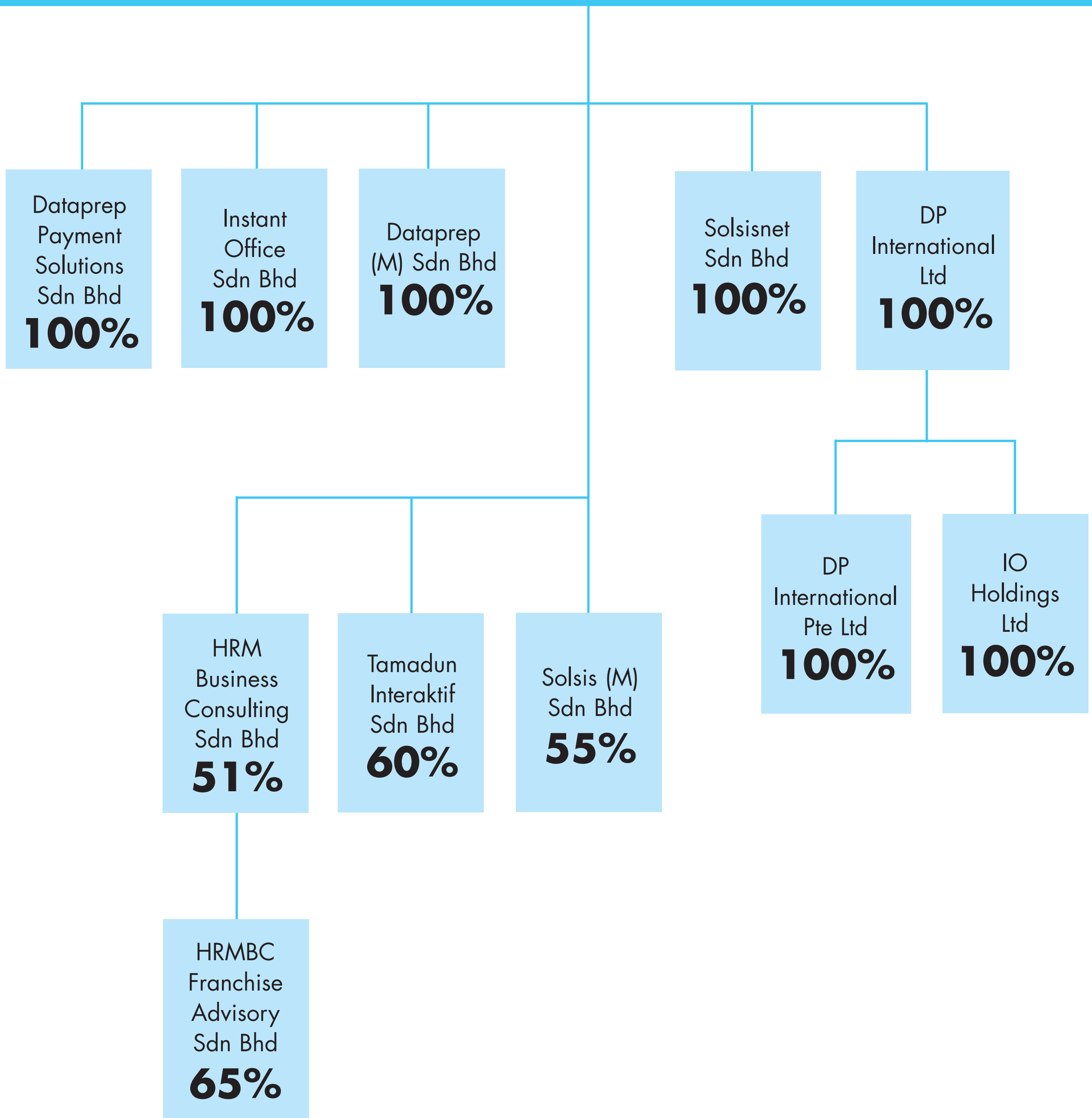
to be a leading regional IT service company providing business and technology solutions and services.

our mission

to build relationships and develop innovative solutions and services which help clients create and realize value.

corporate structure

DATAPREP
Since 1971
Consulting>Integration>Outsourcing



notice of annual general meeting

NOTICE IS HEREBY GIVEN THAT THE NINETEENTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT TOURNAMENT ROOM, KUALA LUMPUR GOLF & COUNTRY CLUB, NO 10, JALAN 1/70D, OFF JALAN BUKIT KIARA 60000 KUALA LUMPUR ON THURSDAY, 28 AUGUST 2008 AT 2.30 PM TO TRANSACT THE FOLLOWING BUSINESS:

AS ORDINARY BUSINESS

1. To receive and adopt the audited financial statements of the Company and of the Group for the year ended 31 March 2008 and the Reports of the Directors and Auditors thereon. (Ordinary Resolution 1)

2. To re-elect the following Directors :

    2.1 Encik Muhammad Fauzi Bin Abd Ghani retires by rotation pursuant to Article 98 of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 2)

    2.2 Mr Leong How Seong retires by rotation pursuant to Article 103 of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 3)

    2.3 Mr Cheam Tat Inn retires by rotation pursuant to Article 103 of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 4)

3. To consider and if thought fit, pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:

    3.1 "THAT Mr Michael Yee Kim Shing who retires pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the company." (Ordinary Resolution 5)

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 6)

AS SPECIAL BUSINESS

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

5. INCREASE OF NON-EXECUTIVE DIRECTORS' FEES (Ordinary Resolution 7)

    "THAT the maximum annual fees payable to the Non-Executive Directors of the Company be increased from RM200,000 to RM400,000."

6. AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 (Ordinary Resolution 8)

    "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."

notice of annual general meeting (cont'd)

7. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (Ordinary Resolution 9)

"THAT pursuant to paragraph 10.09 of the Listing Requirement of Bursa Malaysia Securities Berhad, approval be and is hereby given for the renewal of the Shareholders' Mandate for the Company and/or its subsidiary ("Dataprep Group") to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of the Dataprep Group to be entered into by the Dataprep Group provided such transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public, particulars of which are set out in Section 2.4 of the Circular to Shareholders of the Company dated 6 August 2008, AND THAT such approval conferred by the Shareholders' Mandate shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which such mandate is passed, at which time will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed.

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

(c) revoked or varied by resolution passed by the shareholders in a general meeting.

Whichever is the earlier,

AND FURTHER THAT the Directors of the Company and/or any of them be and are/is (as the case may be) hereby authorized to complete and do all such acts and things (including executing such documents under the common seal in accordance with the provisions of the Articles of Association of the Company, as may be required) to give effect to the Proposed Renewal of Shareholders' Mandate."

8. PROPOSED NEW MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE (Ordinary Resolution 10)

"THAT pursuant to paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Shareholders' Mandate for the Company and/or its subsidiary ("Dataprep Group') to enter into additional recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of the Dataprep Group to be entered into by the Dataprep Group provided such transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public, particulars of which are set out in Section 2.4 of the Circular to Shareholders of the Company dated 6 August 2008, AND THAT such approval conferred by the Shareholders' Mandate shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("AGM') of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed;

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

(c) revoked or varied by resolution passed by the shareholders in a general meeting.

notice of annual general meeting (cont'd)

Whichever is the earlier,

AND FURTHER THAT the Directors of the Company and/or any of them be and are/is (as the case may be) hereby authorized to complete and do all such acts and things (including executing such documents under the common seal in accordance with the provisions of the Articles of Association of the Company, as may be required) to give effect to the Proposed New Shareholders' Mandate."

9. To consider any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

TAN HOCK CHYE (MIA 3865)
LEE SEET MEI (MAICSA 7007527)
SECRETARIES

6 August 2008
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 registered office at Suite 5.02, 5th Floor, Wisma Academy, No.4A, Jalan 19/1, 46300 Petaling Jaya, Selangor, 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 7) of the Agenda:

The proposed ordinary resolution 7 is in accordance with Article 79 of the Company's Articles of Association and if passed, will authorize the payment of annual directors' fees to non-executive directors of the Company for the services as Directors.

Explanatory Notes to Item 6 (Ordinary Resolution 8) of the Agenda:

The proposed ordinary resolution 8 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.

Explanatory Notes to Item 7 (Ordinary Resolution 9) and Item 8 (Ordinary Resolution 10).

The proposed ordinary resolutions 9 and 10 if passed will empower the Directors of the Company and its 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.

statement accompanying notice of 19th annual general meeting

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

1. Four (4) Board Meetings were held during the financial year ended 31 March 2008.

Date of Meeting	Total Board Members	% of Attendance
31 May 2007	6	100
30 August 2007	4	67
30 November 2007	6	100
28 February 2008	7	100

2. Details of Directors' attendance at Board Meetings during the financial year ended 31 March 2008 are as follows:-

Name of Directors	Attendance
Tan Sri Datuk Adzmi Bin Abdul Wahab	4/4
Datuk Lim Chee Wah	3/4
Dato' Pian bin Sukro	4/4
Encik Muhammad Fauzi Bin Abd. Ghani	3/4
Mr Michael Yee Kim Shing	4/4
Mr Leong How Seong (appointed on 26 February 2008)	1/1
Mr Chew Liong Kim	4/4

3. The details of the Directors who are standing for re-election and re-appointment at this Annual General Meeting as required under Appendix 8A of the Listing Requirements of Bursa Malaysia Securities Berhad, can be found on pages 11 and 15 of this Annual Report.

corporate information

BOARD OF DIRECTORS

Chairman	Tan Sri Datuk Adzmi Bin Abdul Wahab	*Independent Non-Executive Director*
Directors	Datuk Lim Chee Wah	*Non-Independent Non-Executive Director*
	Dato' Pian Bin Sukro	*Independent Non-Executive Director*
	Muhammad Fauzi Bin Abd Ghani	*Independent Non-Executive Director*
	Michael Yee Kim Shing	*Independent Non-Executive Director*
	Leong How Seong	*Non-Independent Non-Executive Director*
	Cheam Tat Inn	*Executive Director / Chief Executive Officer*

Company Secretaries

Tan Hock Chye
Lee Seet Mei

Audit Committee

Chairman
Michael Yee Kim Shing
Independent Non-Executive Director

Members
Dato' Pian bin Sukro
Independent Non-Executive Director

Muhammad Fauzi Bin Abd Ghani
Independent Non-Executive Director

Remuneration, Quality and Nominating Committee

Chairman
Dato' Pian bin Sukro
Independent Non-Executive Director

Members
Michael Yee Kim Shing
Independent Non-Executive Director

Muhammad Fauzi Bin Abd Ghani
Independent Non-Executive Director

Leadership

Executive Director/Chief Executive Officer:
Cheam Tat Inn

Executive Vice Presidents:
Ahmad Rizan bin Ibrahim
Ng Keok Ang

Senior Vice President:
Tan Hock Chye

Registered Office

Suite 5.02,5th Floor,
Wisma Academy,
No.4A, Jalan 19/1
46300 Petaling Jaya, Selangor.
Telephone : (603) 7843 1600
Facsimile : (603) 7956 2324

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
Public Bank Berhad
CIMB Bank Berhad

Auditors

Ernst & Young

our solutions & services

CONSULTNG & TECHNOLOGY INTEGRATION SERVICES

CTI craft and deploy technology enabled business solutions related to strategy development, business planning, market assessment and policy studies for organization to face contemporary and future challenges in client's industry with the view to creating a competitive edge over others

Management Consulting

- Strategy and Organisation Performance
- Franchise Consulting

Technology Integration

- Customer Relation Management
- Document & Record Management
- Custom Development
- Enterprise Application Implementation

E-judiciary

- Court Recording and Transcription (CRT)
- Case Management System (CMS)
- E-Filing

OUTSOURCING & MANAGED SERVICES

OMS delivers comprehensive ICT solutions that include equipment, software, network solutions to 24/7 operational, administration and help desk support services

IT Support & Training

- Hardware Maintenance
- Software Maintenance
- Deployment
- Training

IT Outsourcing

- Desktop Life Cycle Management
- Managed Network (VPN)
- Systems Management
- Enterprise IS Outsource

Infrastructure Services

- Servers and Storage Consolidation
- Network Integration
- Security and Business Continuity

PAYMENT SOLUTIONS

BPO's focus in the payment solutions requirements (multi-purpose EMV terminal, equipment rental, maintenance and support)

Payment Solutions

- Hardware Solutions
- Software Solutions
- Merchant Acquisition Services
- Terminal Maintenance Services

PRODUCT SALES

Sales and implementation of hardware and software products.

- PC Notebooks
- Server Storage
- Network Product
- Packaged Software

our solutions & services (cont'd)

Our Support Infrastructure

Apart from Dataprep Group's 37 years of proven group-wide accumulated IT experience and professional staff with proven capabilities in implementing large scaled ICT projects, Dataprep Group is fully equiped to provide the necessary support and back-up tools for its clients. With 27 service centres located nationwide to provide a support network, Dataprep Group's call centre offers 24 hour service, 7 days a week. The 27 support Service Centres offer operational and maintenance services.

Nationwide Service Network

Headquarter
Petaling Jaya (2)

Northern Region
Kangar, Perlis
Ipoh
Pulau Pinang
Alor Setar
Pulau Langkawi
Taiping
Butterworth

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
Sibu
Limbang
Bintulu
Miri

board of directors

Tan Sri Datuk Adzmi
Bin Abdul Wahab
Independent Non-Executive Chairman

Tan Sri Datuk Adzmi bin Abdul Wahab, a Malaysian, aged 65, was appointed to the Board on 29th August 2006. He is also chairman and director of a number of companies involved in property and construction, automotive, broadband and franchise businesses. He is the Advisor to the Malaysian Franchise Association.

Tan Sri Adzmi was appointed as the longest serving Managing Director of Edaran Otomobil Nasional Berhad (EON) in November 1992 until May 2005. In 2003, he was conferred Malaysia CEO of the Year by AMEX and Business Times and Most PR Savvy CEO by IPRM.

Tan Sri Adzmi holds a Bachelor of Arts (Honours) degree in Economics and a Post Graduate Diploma in Public Administration from the University of Malaya, Malaysia and Master of Business Administration from University of Southern California.

Tan Sri Adzmi served the Malaysian Administrative and Diplomatic Service in various capacities from 1967 to 1982 in the following areas : Central Procurement and Contract Management in Ministry of Finance; Investment Promotion in Pahang Tenggara Development Authority, Public Enterprise Management in Implementation Coordination Unit (Prime Minister's Department), Regional Planning in Klang Valley Planning Secretariat (Prime Minister's Department).

He was Manager, Corporate Planning Division of HICOM Berhad involved in development of heavy industries projects from 1982 to 1985.

He served PROTON in 1985 to 1992 and his last position in PROTON was Director/Corporate General Manager, Administration and Finance Division, responsible for human resource development, financial management, procurement and vendor development, secretarial and legal and general administration.

He has wide experience of over 20 years serving as chairman and director of HICOM, PROTON and EON Group of Companies involved in automotive (car manufacturing, distribution and component), property development, telecommunication, general trading, life insurance and franchise businesses.

Tan Sri Adzmi also served as Chairman of the Malaysian Franchise Association (MFA) from 1994 to July 2005.

He also sits on the Board of Magna Prima Berhad and Lebar Daun Berhad.

He has direct shareholdings of 206,900 ordinary shares in the company.

He has attended four meetings out of the total of four Board Meetings held during the financial year ended 31 March 2008.

He does not have any family relationship with any director and/or major shareholders, or any conflict of interest in business arrangements involving the Company.

He has not been convicted of any offence within the past 10 years, except for traffic offences, if any.

board of directors' profile
(cont'd)

Datuk Lim Chee Wah, a Malaysian, aged 54, was appointed to the Board on 5 March 2002. He is the founder and President 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 the 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.

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

He has direct and indirect shareholdings of 1,062,500 and 203,385,046 ordinary shares in the Company.

He has attended three meetings out of the total of four Board Meetings held during the financial year ended 31 March 2008.

He is the brother-in-law to Mr Leong How Seong, who is a Non-Independent Non-Executive Director of Dataprep Holdings Bhd.

Except for certain recurrent related party transaction of a revenue nature which are necessary for day-to-day operations of the Company, for which he is deemed interested, there are no other business arrangements with the Company in which he has a personal interest.

He has not been convicted of any offence within the past 10 years, except for traffic offences, if any.

Datuk Lim Chee Wah
Non-Independent
Non-Executive Director

board of directors' profile
(cont'd)

Dato' Pian Bin Sukro
Independent Non-Executive Director

Dato' Pian Bin Sukro, a Malaysian, aged 60, was appointed to the Board on 27 August 2004.

He was the President and Chief Executive Officer to Tenaga Nasional Berhad. He was trained as an engineer and holds a B.Sc. (Hons) degree. He later secured his M.Sc. in Project analysis, Finance and Investment. Dato' Pian is also a Chartered Engineer, member of Institute of Electrical Engineers, UK, member of Institute of Engineers, Malaysia and a member of Professional Engineers, Malaysia. He has held senior positions at TNB within the 34 years of service with the organization which covers the full spectrum of the utility business such as equipment manufacture and installation; power station operation and maintenance, project construction and commissioning, project engineering and management; steps and studies related to the introduction of nuclear power to Malaysia; project appraisals and feasibility studies; power system development planning including fuel procurement, energy pricing and site studies; formulation of electricity tariff; ASEAN inter-utility cooperation North-East and South-East Asian Utility cooperation, ASEAN energy cooperation; managing the implementation of thermal generation projects; corporate, financial and strategy planning; corporatisation of LLN to TNB; privatization of TNB; industry regulation; introduction of independent power producers; power purchase agreements; corporate restructuring and formation of subsidiaries, sourcing of project and corporate funds (local and international); formation of joint ventures and JV companies; development and diversification of TNB's business locally and overseas. He has also undertaken various functions for other groups and organizations including the Ministry of Energy, Communications and Multimedia, ASEAN Energy Cooperation, International Atomic Energy Agency (IAEA), World Energy Council, International Council on Large Electric System (CIGRE), Asian Development Bank and the World Bank (IBRD).

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

He is the Chairman of the Energy Commission of Malaysia, a member of the Atomic Energy Licensing Board and also a member of the Malaysian Standards Accreditation Council.

He has no shareholdings in the Company.

He has attended four meetings out of the total of four Board Meetings held during the financial year ended 31 March 2008.

He does not have any family relationship with any director and/or major shareholders, or any conflict of interest in business arrangements involving the Company.

He has not been convicted of any offence within the past 10 years, except for traffic offences, if any.

board of directors' profile
(cont'd)

Encik Muhammad Fauzi
Bin Abd Ghani
Independent Non-Executive Director

Encik Muhammad Fauzi Bin Abd. Ghani, a Malaysian, aged 46, 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 Institute 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 forge ahead 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. He has accumulated professional experience of more than 22 years. He was the Chief Financial Officer of Titan Chemical Corp Berhad for the period 2004 to 2008. He is currently the Senior Executive Director of Felda Holdings Berhad.

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

He does not hold directorship in other public companies other than his directorship in Microgreen Bio-Industrial Bhd.

He has no shareholdings in the company.

He has attended three meetings out of the total of four Board Meetings held during the financial year ended 31 March 2008.

He does not have any family relationship with any director and/or major shareholders, or any conflict of interest in business arrangements involving the Company.

He has not been convicted of any offence within the past 10 years, except for traffic offences, if any.

board of directors' profile
(cont'd)

Mr Michael Yee Kim Shing
Independent Non-Executive Director

Mr Michael Yee Kim Shing, a Malaysian, aged 70, was appointed to the Board on 31 May 2002, as an Independent Non-Executive Director. 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, before retiring in 1990 as a Senior Partner in Kuala Lumpur 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 is presently Chairman of the Audit Committee and he also sits on The Remuneration, Quality and Nominating Committee.

His directorships in other public companies are Pacific & Orient Berhad and Pacific & Orient Insurance Co. Berhad.

He has no shareholdings in the Company.

He has attended four meetings out of the total of four Board Meetings held during the financial year ended 31 March 2008.

He does not have any family relationship with any director and/or major shareholders, or any conflict of interest in business arrangements involving the Company.

He has not been convicted of any offence within the past 10 years, except for traffic offences, if any.

board of directors' profile

(cont'd)

Mr Leong How Seong
Non-Independent Non-Executive Director

Mr Leong How Seong, a Malaysian, aged 60, was appointed to the Board on 26 February 2008. He graduated with a Bachelor of Pharmacy (London) from Chelsea College London and also obtained a certificate in Hotel Management from Cornell School of Hotel Administration.

He was appointed Director of Operations in 1974 for the Hotel Division, Genting Berhad and also Joint Managing Director for Genting Highland Tour & Promotion Sdn Bhd. In 1983 he was appointed Director and Chief Executive Officer of Resorts World Bhd. He held this position until 1988. He was also a Chief Executive Officer for the period 2003 to 2005 with Ho Wah Genting Poipet Sdn Bhd (Cambodia). In total he has more than 34 years of experience in the hospitality, property management and retail.

He does not hold directorship in other public companies.

He has no shareholdings in the company.

He has attended one meeting out of the total of one Board Meetings held after his appointment and before the year ended 31 March 2008.

He is the brother-in-law to Datuk Lim Chee Wah, who is the Non-Independent Non-Executive Director and substantial shareholder of Dataprep Holdings Bhd.

He has not been convicted of any offence within the past 10 years, except for traffic offences, if any.

Mr Cheam Tat Inn
Executive Director/ Chief Executive Officer

Mr Cheam Tat Inn, a Malaysian, aged 46, was appointed to the Board on 2 May 2008 as Executive Director/Chief Operating Officer. He was later redesignated Executive Director/Chief Executive Officer on 1 July 2008. He holds a Master of Business Administration (MBA) from Henley Management College, UK.

He has more than two decades of experience in sales, marketing and general management experience in information technology and telecommunications industries. He has held key leadership positions with industry leading multinational companies like Sun Microsystems, Nortel Networks, Compaq Computers and IBM.

He was the Managing Director for Sun Microsystems Malaysia ("Sun") from 2003 for a period of more than 3 years where he was responsible for Sun regaining a substantial portion of its market share.

Prior to joining Sun, he was the Managing Director for Nortel Networks Malaysia. He was responsible for turning around the company and making Nortel one of the top players in the Telco industry in Malaysia.

Before joining Nortel Networks, he was the Asia Pacific President of Arcadian Wireless Inc, a silicon valley startup that provides fixed wireless last mile solution for emerging markets and rural environments.

He was the Managing Director of Compaq Computer Corporation Malaysia in 1999 right after the merger of three major companies, namely Tandem, Digital and Compaq. He successfully managed Compaq through the post-merger integration.

Mr Cheam started his career with IBM, Malaysia where he has held positions in engineering, sales, marketing and general management.

He does not hold directorship in other public companies.

He has no shareholdings in the company.

He does not have any family relationship with any director and/or major shareholders, or any conflict of interest in business arrangements involving the Company.

He has not been convicted of any offence within the past 10 years, except for traffic offences, if any.

management profile

The details of Mr Cheam Tat Inn are disclosed under the Directors' profile which appears on page 16 of this Annual Report.

Cheam Tat Inn
Executive Director/
Chief Executive Officer

Encik Ahmad Rizan, a Malaysian, aged 45, 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.

He 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.

He is the Head of Product Sales Group and the Solutions Innovation Group. He is also the Managing Director of HRM Business Consulting Sdn Bhd and Solsis (M) Sdn Bhd. He has over 21 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.

Ahmad Rizan bin Ibrahim
Executive Vice President

management profile (cont'd)

Ng Keok Ang
Executive Vice President

Mr Ng Keok Ang, a Malaysian, aged 52, 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 Managed Services Group. He is also the Managing Director for Dataprep (Malaysia) Sdn Bhd. He has over 29 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 a member of the Helpdesk Institurte.

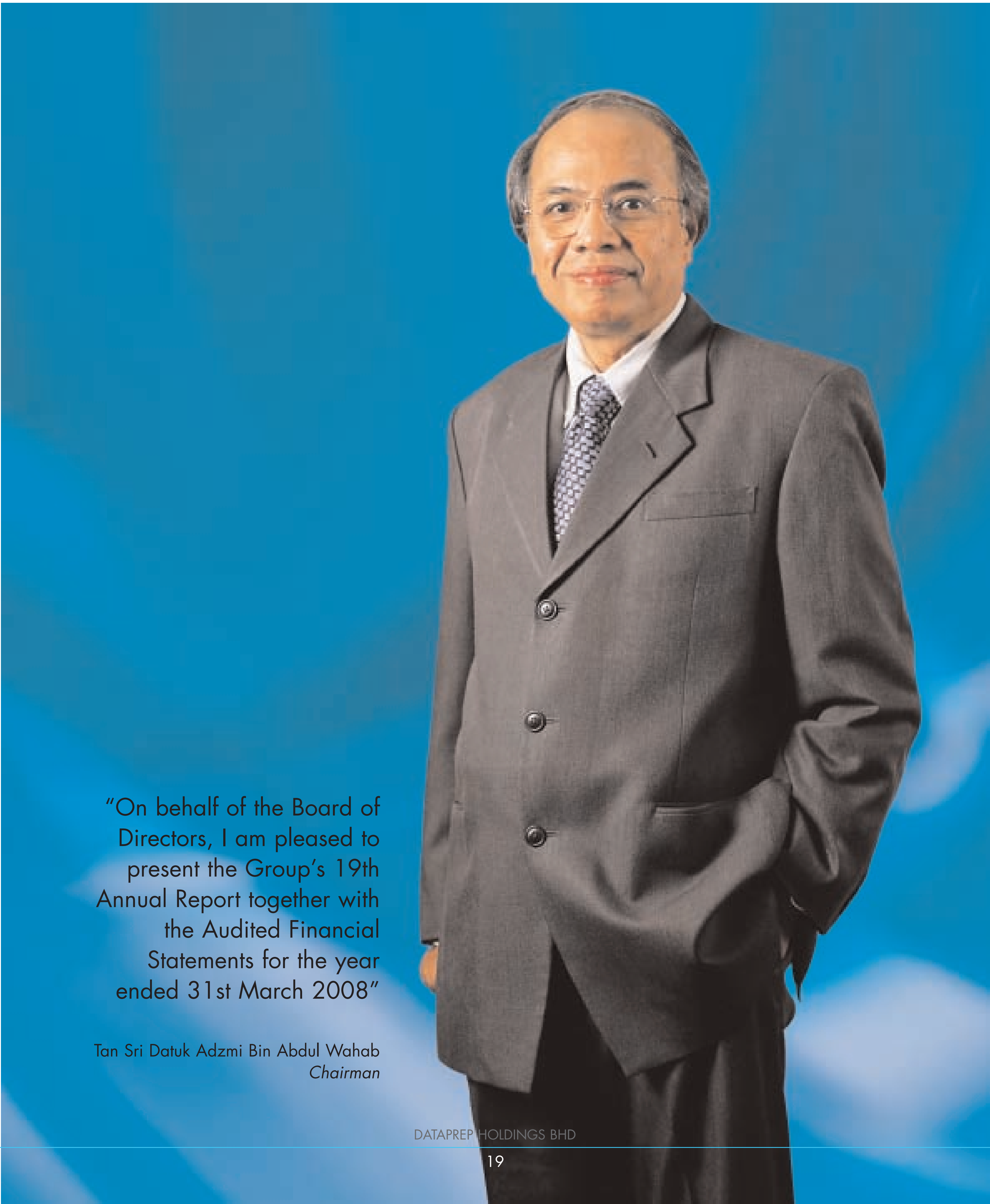
Tan Hock Chye
Senior Vice President

Mr Tan Hock Chye, a Malaysian, aged 48, 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, Oklahoma, USA.

He has over 26 years of management and financial experience in the private sector involving in nurturing newly start-ups, corporate restructuring and debt reorganization, financial systems implementation, operations and general management for retailing, manufacturing, publishing, trading, transportation, leisure and oil and gas industries.

Currently, he is the Head of Business Support Group. He is also the Managing Director of Dataprep Payment Solutions Sdn Bhd. Prior to his current position, he had previously held other senior management positions in multinational and public companies. He is also Joint Company Secretary of Dataprep Holdings Berhad.

chairman's statement



"On behalf of the Board of Directors, I am pleased to present the Group's 19th Annual Report together with the Audited Financial Statements for the year ended 31st March 2008"

Tan Sri Datuk Adzmi Bin Abdul Wahab
Chairman

chairman's statement (cont'd)

OVERVIEW

As the Chairman of the Company, I am delighted to report that the financial year 2008 has been a significant year for Dataprep Holdings Berhad marked by the successful upliftment of the Company from the Amended PN17 status.

It would have been a year of double happiness if not because of the financial set back caused by the protracted delay of an overseas project. After considering our responsibilities to stakeholders, the Board made a provision of doubtful debts of RM21.38 million and write back the associated provision of cost in prior year of RM15.61 million, giving rise the net impact of RM5.77 million for the overseas project in the financial year 2008. While there could still be scope for recovery, we believe this is the most prudent though painful decision to be made at this time.

The Board believes management's priority is to leverage on the Company's enhanced cash position of RM35.26 million as at 31 March 2008 by expanding the profitable businesses which are core to Dataprep today, at the same time, be opportunistic to any profitable investments or acquisitions. The Board believes that in these uncertain economic times, having cash provides the Company maximum flexibility. Management has been distracted by the PN17 far too long, stretching over a period of 18 months from May 2006 to October 2007.

FINANCIAL REVIEW

The Group recorded revenue of RM74.27 million for the year ended 31 March 2008, a decrease of 34% compared with prior year's revenue of RM112.15 million. Net loss for the twelve-month period was RM3.30 million, against a profit of RM2.12 million in the previous financial year.

As mentioned earlier, the loss was attributed to the prudent decision by the Board to provide for doubtful debts resulting from uncertainty in an overseas project. If not for the provision, the Group would have recorded a profit of RM2.47 million.

On the Company's level, it suffered a huge loss of RM24.56 million for the year ended 31 March 2008 as compared to the previous year's loss of RM4.00 million due to the adjustment of impairment loss of investment in subsidiaries totaling RM24.71 million as detailed in Note 5(a) to the financial statements.

CORPORATE DEVELOPMENT

During the year, the Group focused on growing its Outsourced and Managed Services which contributed 93% of the total sales of RM74.27 million for the year.

The Group also continued on working closely with the governments, both locally and overseas, to export our suite of e-Judiciary solutions. The RM22.80 million phase 1 of our e-Courts project has been successfully handed over to the Courts of Malaysia in January 2007. Intensive collaborative efforts are underway to expand the use of our e-Courts solution to the rest of the Malaysian Courts.

Payment Solutions Division is finally profitable this financial year and has managed to secure another third party merchant acquiring contract from a major banking client in Malaysia. Efforts are underway to offer our brand of Payment BPO Services to banks of a neighbouring country.

The Capital Reduction Exercise which took effect in July 2007 had effectively reduced the Group's accumulated losses from RM95.73 million to RM22.98 million.

chairman's statement (cont'd)

CORPORATE EXERCISE

On 8th May 2006 the Group had announced that it was an affected listed issuer pursuant to the Amended Practice Note 17/2005 (Amended PN17) by virtue of its shareholders' equity amounting to less than 25% of its issued and paid-up capital.

We are pleased to report that as of 8 October 2007, we ceased to be a affected listed issuer. The Capital Reduction and Rights Issue with free Warrants exercise were completed on 31 July 2007 and 25 September 2007 respectively. The Rights Issue exercise was 42.24% oversubscribed and consequently, a total of RM47.01 million was raised from the Exercise.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

During the financial year, the Group carried out it's CSR through various activities. These include offering technical and industrial training to interns from local technical institutions and universities.

The Group is committed to the betterment of employees. Our human capital development strategy focuses on building individual self-confidence, management leadership and work competence. The Dataprep Academy was set up to meet the human capital needs of our business and organizational demands. Core areas of training include business leadership, people skills, business management, financial management, service quality, safety at work and technical skills.

The Group also encourages its staff to constantly engage in eco-friendly management practice.

PROPECTS

The year ahead is expected to be challenging for the Group with a slowdown in the global economy and intensifying competition in the IT industry in Malaysia.

With that in view, we believe that we are in a better position now after having laid a stronger foundation over the past few years. We will continue to look at strategic investments and potential acquisitions beneficial to the Group whilst continuing to focus on growing our core services i.e. the Outsourced and Managed Services, Consulting and Integration, Payment Solutions and Technology Products Sales.

Intensive marketing and selling efforts are channeled to our nine core solutions comprising of Sale Force Automation, Enterprise Content Management System, Service Management, Enterprise Service and Storage Consolidation, Security Solution, IP Virtual Private Network, Data Centre, Network Integration and IT Help Desk, to meet the rising clients' needs.

The Group will continue to leverage on the regional presence and expertise of its major shareholders and business partners to build customer reach and top line growth.

We will strive to realize our vision to be leading regional IT Service Company by providing business and technology solutions and services to clients.

chairman's statement (cont'd)

CHANGES TO THE BOARD OF DIRECTORS

On behalf of the Board of Directors, it is our pleasure to extend a warm welcome to both Mr Leong How Seong and Mr Cheam Tat Inn who were appointed Directors in February and May 2008 respectively. Mr Cheam Tat Inn was appointed as the Executive Director/Chief Operating Officer on 2 May 2008 and was re-designated as the Executive Director/Chief Executive Officer of Dataprep Holdings Berhad on 1 July 2008 in replacement of Mr Chew Liong Kim who retired on 30 June 2008.

We hope the management and staff will pledge their continued support to the Board and management.

ACKNOWLEDGMENTS

On behalf of the board, I would like to extend our heartfelt thanks to our principals, associates, suppliers and valued shareholders for their support throughout the year. We would also wish to thank the management and staff of Dataprep group for their continued loyalty and commitment in discharging their duties.

I wish to welcome Mr Cheam Tat Inn as the new Chief Executive Officer and Mr Leong How Seong on board. To my fellow Board members, I wish to record my sincere appreciation for their invaluable wisdom, advice and guidance.

Last but not least, a special thanks to Mr Chew Liong Kim, our former Executive Director/Chief Executive Officer for his invaluable contribution during his tenure of service with the Group.

Tan Sri Datuk Adzmi Bin Abdul Wahab
Chairman
6 August 2008

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 continuously ensures 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 MANAGMENT

The Board has always regarded risk management as an integral part of the Group's system of internal controls Whilst risk management is currently embedded in the Group's operations, the Board has taken the initiative to develop and implement a more structured risk management framework for the Group. The risk management functions are currently embedded into duties and operations of the Leadership Team with the Chief Executive Officer ("CEO") acting as the Chief Risk Officer. The risk processes adopted by the Group will enable the Board to effectively identify, evaluate and manage the significant risks encountered by the Group.

MANAGEMENT PROCESSES

A well-defined organisation and management structure and reporting line reinforce the 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 automated 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 comprehensive 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 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 issues pertaining to internal control, regulatory compliance and risk taking.

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

statement on internal control (cont'd)

MONITORING AND REVIEW

The Board has delegated day-to-day functions to the CEO, who is aided 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 practice is 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 in-house 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 audit for review of the adequacy and integrity of the internal control system and 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 9001/2000 certification accredited to two subsidiaries, scheduled audits are conducted internally as well as by the SIRIM auditors on these subsidiaries.

Results of 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. It should be noted that such arrangements do not eliminate the possibility of collusion or deliberate circumvention of procedures by employees. Human error and/or other unforeseen circumstances can result in poor judgment. However, 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 2008 and has been duly reviewed by the external auditors, pursuant to paragraph 15.24 of the Bursa Malaysia Securities Listing Requirements.

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 and that shareholders' value is maximized.

The current Board has seven (7) Directors comprising of the following:-

1. One (1) Executive Director/Chief Executive Officer;
2. Two (2) Non-Independent Non-Executive Directors; and
3. Four (4) Independent Non-Executive Directors.

The Directors are made up of qualified and experienced professionals in the fields of accountancy, finance, computer science, economics, engineering, management and hospitality. 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 Company has thus complied with Paragraph 15.02 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") which requires that at least 2 directors or 1/3 of the Board of Directors, whichever is the higher, to be independent.

The Directors participate actively in the overall management and stewardship of the Company. There were 4 Board meetings held in Financial Year 2008 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 the Group for the financial year ended 31 March 2008, the Company and the Group have used appropriate accounting policies and applied them consistently, reasonably and prudently. The financial statements comply with the provisions of the Companies Act, 1965 and the applicable Financial Reporting Standards in Malaysia.

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 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.

statement of corporate governance (cont'd)

BOARD ATTENDANCE

In Financial Year 2008, the composition of the Board, together with the attendance of the respective Directors at Board meetings are as follows:-

Name of Directors	Attendance	Percentage
Tan Sri Datuk Adzmi bin Abdul Wahab	4/4	100
Datuk Lim Chee Wah	3/4	75
Dato' Pian bin Sukro	4/4	100
Encik Muhammad Fauzi bin Abd. Ghani	3/4	75
Mr Michael Yee Kim Shing	4/4	100
Mr Leong How Seong (appointed on 26 February 2008)	1/1	100
Mr Chew Liong Kim (resigned on 30 June 2008)	4/4	100

DIRECTORS' CONTINUAL PROFESSIONAL DEVELOPMENT

All directors have attended and successfully completed the Mandatory Accreditation Programme accredited by Bursa Malaysia Securities Berhad. In additional, seminars and conferences organized by Bursa Securities, relevant regulatory bodies and professional bodies on areas pertinent to the Directors are communicated to the Board for their participation. The Board will also identify training needs amongst the Directors and enroll the Directors for the training programme, as and when required.

The Directors are also updated by the Company Secretary on any changes to legal and governance requirements of the Group and which affect themselves as Directors. In additional senior executives are invited as appropriate, to attend and make presentations at each Board meeting.

The training programmes attended by the Director/s during the year, include the following:-

1. Corporate Boards in Challenging Times
2. Effective Chairmanship
3. Bank Negara Malaysia Annual Report 2007 Financial Stability and Payment Systems Report 2007 Briefing.

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 Bursa Malaysia Securities Berhad ("BMSB") and the 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 needs arise, 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.

statement of corporate governance (cont'd)

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 Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965.

Quarterly results are only released to the BMSB after scrutinized 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 Bursa Malaysia Listing Requirements. 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 31 to 36 of this Annual Report.

The Internal Audit function 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 during the financial year 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 the shareholders' investment and the Company's assets. The Statement on Internal Control made in pursuance of paragraph 15.27 of the Bursa Malaysia Listing Requirements is separately set out on pages 23 to 24 in this Annual Report.

COMPLIANCE WITH BEST PRACTICES OF CORPORATE GOVERNACE

The Group was substantially in compliance with the Best Practices of Corporate Governance throughout Financial Year 2008, 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. The briefing will consist of 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. The management will also organize for the new director to visit the office premises and operations centre.

statement of corporate governance (cont'd)

REMUNERATION, QUALITY & NOMINATING COMMITTEE

The principal roles of the Remuneration, Quality & Nominating Committee ("RQN") are, inter-alia, as follows: -

(i) To review and recommend to the Board for approval, the remuneration packages for Executive Director/Chief Executive Officer.
(ii) To review the remuneration packages for the Managing Directors' Council.
(iii) To review and recommend to the Board for approval, the policy and framework for the Performance - Linked Compensation (PLC) Scheme.
(iii) To review and recommend to the Board, the appointment of new directors and to assess the performance of Directors on an on-going basis.
(iv) To review and recommend to the Board, the appointment of new Executive Director/Chief Executive Officer.

The RQN comprises of Dato' Pian Bin Sukro, Encik Muhammad Fauzi Bin Abd Ghani and Mr Michael Yee Kim Shing. Mr Chew Liong Kim resigned on 2 June 2008.

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 2008. The meeting was attended by Dato' Pian bin Sukro, Mr Michael Yee Kim Shing, Encik Muhammad Fauzi Bin Abd Ghani and Mr Chew Liong Kim.

All the Directors will continue to attend and undergo other relevant training programmes to further enhance their skills and knowledge where relevant. The Board of Directors will on a continuous basis, evaluate and determine the training needs of the Directors in the discharge of their duties as Director.

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. For the Financial Year 2008, the RQN reviewed the remuneration package of Executive Director/Chief Executive Officer that is Mr. Chew Liong Kim.

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 Directors 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 remuneration of the Executive Director is based on his performance and contribution to the Group. On the other hand, the remuneration of the Non-executive Directors is based on their respective experience, qualification and level of responsibilities undertaken by them.

The aggregate remuneration of the Directors during the financial year 2008 are categorized into appropriate components as follows:-

	Emoluments	Allowance	Fee	Bonuses	Benefits-in-Kind	Total (RM)
Executive Directors	480,000	57,600	–	–	46,000	583,600
Non-Executive Directors	–	27,750	129,750	–	–	157,500

Range of remuneration	Number of Directors	
	Executive Director	Non-Executive Director
Nil	–	–
Below RM50,000	–	6
RM50,001 – RM100,000	–	–
RM100,001 – RM500,000	–	–
RM500,001 – RM1,000,000	1	–

statement of corporate governance (cont'd)

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 Financial Reporting 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 31 March 2008 and of the results and cash flows of the Company and the Group for the financial year then ended.

ADDITIONAL COMPLIANCE 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 involve interests of directors and major shareholders.

- 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, Warrants or Convertible Securities

  During the year 2008:-

  (i) 2,515,705 options were exercised in relation to the Employees Share Option Scheme;
  (ii) 200 Warrants 2007/2009 were exercised and converted into ordinary shares;
  (iii) 33,997,520 ICULS 2002/2007 were exercised and converted into 89,467,157 ordinary shares.

- 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 fees, there is a fee of RM41,000 paid to Ernst & Young Tax Consultants Sdn. Bhd. for tax agent services.

- Profit Estimate, Forecast, Projection Or Unaudited Results

  Not applicable.

- Profit guarantee

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

- Revaluation of landed properties

  Not applicable.

statement of corporate governance (cont'd)

- Utilisation of Proceeds Raised From Corporate Proposals

The status of the utilization of proceeds from Rights Issue of Shares with Warrants as at 31 March 2008 are as follows:-

	RM'000
Amount of funds to be raised pursuant to the Proposed Rights Issue of Shares with Warrants	47,012
Amount of funds to be raised pursuant to the Proposed Issuance of ICULS	–
Total Funds Raised	47,012
To be utilised as follows:-	
Repayment of borrowings	13,933
Working capital	9,048
Estimated expenses in relation to the Proposals	907
	23,888

- Recurrent Related Party Transaction of a Revenue of Trading Nature

At the 18th AGM of the Company held on 27 September 2007, the shareholders have granted a mandate for the Company and itssubsidiaries to enter into recurrent related party transaction of a revenue or trading nature ("mandated Recurrent Transactions") with persons 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 2008 are set out below:-

Transaction	RM
VXL Group	16,800
Genting Group	194,872
	211,672

Relationship with Related Parties

Names of Related Party	Relationship
VXL Group (VXL Holdings Sdn Bhd and its subsidiary and associated companies)	VXL Holdings Sdn Bhd is the holding company of Dataprep Holdings Bhd
Genting Group (Genting Berhad and its subsidiary and associated companies)	Datuk Lim Chee Wah is the brother to Tan Sri Lim Kok Thay, the Chairman and Chief Executive of the Genting Group.

audit commitee report
for the financial year ended 31 March 2008

1. COMPOSITION

As at 31 March 2008, there are four (4) Audit Committee members, of whom three (3) 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 : Encik Muhammad Fauzi bin Abd Ghani*(Independent, Non-Executive Director)
Dato' Pian Bin Sukro (Independent, Non-Executive Director)
Mr Chew Liong Kim*(Executive Director / Chief Executive Officer)
(Mr Chew Liong Kim resigned as a member of the Audit Committee on 26 October 2007, in compliance with the Revised Code of Corporate Governance)

** member of Malaysia Institute of Accountants ("MIA")*

The Secretaries to the Audit Committee are Mr Tan Hock Chye and Ms Lee Seet Mei.

2. TERMS OF REFERENCE

The Audit Committeeís Terms of Reference are as follows:

2.1 Membership

The Audit Committee ("the Committee") shall be appointed by the Board of Directors ("the Board") from amongst its numbers, which fulfils the following requirements after taking into consideration the recommendation of the Remuneration, Quality and Nominating ("the RQN") Committee:

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 Non-Executive Directors as prescribed in the Listing Requirement of the Bursa Malaysia Securities Berhad ("the BMSB").

c. All members of the Committee should be Non-Executive Directors.

d. All members of the Committee should be financially literate and 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 experiences 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; or fulfils such other requirements as prescribed or approved by the Exchange.

e. No alternate Directors shall be appointed as a member of the Committee;

f. The full Board shall elect a Chairman from amongst the Committee members who shall be an Independent Director;

g. 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.

h. All members of the Committee, including the Chairman, will hold office only so long as they serve as Directors of Dataprep Holdings Berhad ("the Group"). The Board shall review the terms of office and performance of the Committee and each of its members at least once every three (3) years.

audit commitee report

for the financial year ended 31 March 2008 (cont'd)

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 ("the IAU") in 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 system 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, competency and resources of the IAU 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 cognizance of resignation of internal audit's staff and provide the resigning staff an opportunity to submit his/her reasons for resigning.
(vi) compliance with internal auditing standards and the Group's policy relating conformity with laws and regulatory requirements.
(vii) adequacy of training of the IAU's staff.
(viii) coordination and cooperation between the internal and external auditors.

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.
(v) whether auditors report contains qualification which must be properly discussed and acted upon to remove cause of auditors concerns.

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 Group including any transactions, procedures or course of conducts that raise questions of management integrity.

audit commitee report

for the financial year ended 31 March 2008 (cont'd)

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. The details of relevant training attended by each member;
e. A summary of the activities of the Committee in the discharge of its functions and duties; and
f. A summary of the activities of the IAU.

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. The statement relating to the IAU of the Group, i.e. whether the internal audit function is performed in-house or is outsourced and the costs incurred for the IAU in respect of the financial year; and

e. Other disclosures forming the contents of annual report spelt out in Part A of the Appendix 9C of the Listing Requirements of the BMSB.

2.2.6 To verify the allocation of options as being in compliance with the criteria for allocation pursuant to a share scheme for employees.

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.

2.3 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 as well as with key executives. In this respect, the Chairman of the Committee should engage on a continuous basis with senior management, such as the Chairman of the Board, the Chief Executive Officer, the Finance Director, the Head of IAU and the external auditors in order to be kept informed on matters affecting the Company and the Group.
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 it considers necessary.

audit commitee report

for the financial year ended 31 March 2008 (cont'd)

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 without presence of the executive directors at least twice a year.

f. The Committee shall, in accordance with a procedure to be determined by the Board and at the cost of the Group be able to convene meetings with external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the group, whenever deemed necessary.

g. 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;

h. Upon the request of any member of the committee, non-member directors, the internal or the external auditors, the Chairman shall convene a meeting to consider the matters brought to its attention;

i. The committee may invite any non-member director or employee of the Company and the Group, who the committee thinks fit and proper to attend its meeting to assist in its deliberations and resolution of matters raised;

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.

2.5 Internal Audit Unit

a. The Group has an in-house Internal Audit Unit which is independent of the activities it audits and reports directly to the Committee. The IAU assists the Committee in the discharge of its duties and responsibilities. The Committee is aware of the fact that an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal controls. The cost of maintaining this unit for the financial year 2008 is RM137,750.

b. The Head of IAU shall have unrestricted access to the Committee members and report to the Committee whose scope of responsibility includes overseeing the development and establishments of the IAU.

c. In respect of routine administrative matters, the Head of the IAU shall report to the Chief Executive Officer.

d. The IAU shall need to regularly review and / or appraise the effectiveness of the risk management, internal control and governance processes within the Company and the Group.

audit commitee report

for the financial year ended 31 March 2008 (cont'd)

3. ATTENDANCE AT MEETINGS

The Committee met 4 times during the financial year ended 31 March 2008. 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	4	4
Encik Muhammad Fauzi bin Abd Ghani	4	4
Dato' Pian Bin Sukro	4	4
Mr Chew Liong Kim (resigned on 26 October 2007)	2	1

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 2008 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 IAU;

b. Reviewed the internal audit reports (including management's responses) which covers the review of internal control systems, accounting and information systems and ISO 9001 Internal Quality Report including reports on ad-hoc assignments requested by management;

c. Appraised the performance of the IAU including that of the head of IAU and any matters concerning their appointment and termination;

d. Reviewed with the external auditors their audit plans (inclusive of system evaluation and audit fees) prior to the commencement of the annual audit and also to recommend to the Board for further recommendation to the shareholders for re-appointment;

e. 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;

f. Reviewed the quarterly financial statements and year-end audited financial statements and the quarterly reports for announcement to the BMSB;

g. 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;

h. 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;

i. Updated and advised the Board with the latest changes and pronouncements issued by the accountancy, statutory and regulatory bodies;

j. Reported to and updated the Board on significant issues and matters discussed during the Committee's meetings and where appropriate, made the necessary recommendations to the Board. Minutes of all Committee meetings were made available to all Board members;

k. Prepared the Audit Committee Report for inclusion in the Company's Annual Report; and;

l. Reviewed 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 in accordance with Appendix 9C of the Listing Requirements of the BMSB for publication in the Companyís Annual Report.

audit commitee report

for the financial year ended 31 March 2008 (cont'd)

5. INTERNAL AUDIT UNIT

The summary of activities of the Internal Audit function for the financial year ended 31 March 2008 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 adequate and 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.

k. Reviewed 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 in accordance Appendix 9C of the Listing Requirements of the BMSB for publication in the Company's Annual Report.

financial statements

DIRECTORS' REPORT

The Directors are presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2008.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to subsidiaries. The principal activities of the subsidiaries are set out in Note 14 to the financial statements. There were no significant changes in the nature of these activities during the financial year.

SIGNIFICANT AND SUBSEQUENT EVENTS

The significant and subsequent events are as disclosed in Note 33 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Loss for the financial year	(3,296)	(24,564)
Attributable to:		
Equity holders of the Company	(2,737)	(24,564)
Minority interests	(559)	–
	(3,296)	(24,564)

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

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements.

DIVIDEND

No dividend was paid or declared by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of current financial year.

directors' report (cont'd)

DIRECTORS

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Datuk Adzmi bin Abdul Wahab (Chairman)
Datuk Lim Chee Wah
Chew Liong Kim
Michael Yee Kim Shing
Muhammad Fauzi bin Abd. Ghani
Dato' Pian bin Sukro
Leong How Seong (Appointed on 26 February 2008)
Cheam Tat Inn (Appointed on 2 May 2008)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, except for options over shares granted under the Employee Share Options Scheme.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 32 to the financial statements.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares, warrants, options over shares, and Irredeemable Convertible Unsecured Loan Stocks ("ICULS") in the Company and related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM0.25 Each			
The Company	At 1.4.2007	Acquired	Disposed	At 31.3.2008
Tan Sri Datuk Adzmi bin Abdul Wahab				
- Indirect	50,000	156,900	–	206,900
Datuk Lim Chee Wah				
- Direct	–	1,062,500	–	1,062,500
- Indirect	40,486,070	162,898,976	–	203,385,046
Chew Liong Kim				
- Direct	65,000	1,168,258	–	1,233,258
- Indirect	286,000	322,000	–	608,000

	Number of Ordinary Shares of RM1 Each			
Immediate Holding Company - VXL Holdings Sdn. Bhd.	At 1.4.2007	Acquired	Disposed	At 31.3.2008
Datuk Lim Chee Wah				
- Indirect	1,000,000	–	–	1,000,000

DIRECTORS' INTERESTS (Cont'd)

Ultimate Holding Company - Gryps Asset Management Sdn. Bhd.	Number of Ordinary Shares of RM1 Each At 1.4.2007	Acquired	Disposed	At 31.3.2008
Datuk Lim Chee Wah				
- Direct	1	–	–	1

Subsidiary - HRM Business Consulting Sdn. Bhd.	At 1.4.2007	Acquired	Disposed	At 31.3.2008
Chew Liong Kim				
- Direct	56,600	–	–	56,600

The Company	Number of Warrants of RM0.20 Each At 1.4.2007	Acquired	Expired	At 31.3.2008
Datuk Lim Chee Wah				
- Indirect	2,058,175	–	(2,058,175)	–

The Company	Number of Warrants of RM0.25 Each At 1.4.2007	Granted	Disposed	At 31.3.2008
Tan Sri Datuk Adzmi bin Abdul Wahab				
- Indirect	–	39,225	–	39,225
Datuk Lim Chee Wah				
- Direct	–	140,625	–	140,625
- Indirect	–	18,374,402	–	18,374,402
Chew Liong Kim				
- Direct	–	178,200	–	178,200
- Indirect	–	80,500	(80,500)	–

The Company	Number of Options over Ordinary Shares of RM0.25 Each At 1.4.2007	Adjusted*	Exercised	At 31.3.2008
Datuk Lim Chee Wah	500,000	–	(500,000)	–
Chew Liong Kim	444,000	11,458	(455,458)	–

* The adjustment arises from implementation of the Corporate Restructuring Scheme as further disclosed in Note 33 to the financial statements.

The Company	Number of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") At 1.4.2007	Acquired	Converted	At 31.3.2008
Datuk Lim Chee Wah				
- Indirect	33,972,520	–	(33,972,520)	–

DIRECTORS' INTERESTS (Cont'd)

Datuk Lim Chee Wah by virtue of his interest in shares in the Company is also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

The other Directors in office did not have any interest in shares, warrants, options over shares or ICULS of the Company and its related corporations during the financial year.

ISSUE OF SHARES

Pursuant to a court order dated 21 June 2007, the par value of the Company's ordinary shares were reduced from RM1.00 to RM0.25 per share by the cancellation of RM0.75 par value of each share in accordance with the Corporate Restructuring Scheme as further disclosed in Note 33 to the financial statements. Consequently, the authorised share capital was increased from 500,000,000 ordinary shares to 2,000,000,000 ordinary shares of RM0.25 per share.

During the financial year, the issued and paid-up share capital of the Company was increased to 356,148,288 ordinary shares by way of:

(i) the mandatory conversion of the expired 4%, five (5)-year Irredeemable Convertible Unsecured Loan Stocks 2002/2007 ("4% ICULS-5") into ordinary shares of 89,467,157 of RM0.25 each at a conversion price of RM0.38 per ICULS.

(ii) the issuance of 188,047,339 rights shares of RM0.25 each at an issue price of RM0.25 per share for cash together with 47,011,834 free detachable warrants, on a renounceable basis of nine (9) rights shares for every eight (8) existing ordinary shares of RM0.25 each held, with one (1) warrant for every four (4) rights shares issued.

(iii) the exercise of ESOS:

(a) issuance of 513,000 new ordinary shares of RM0.25 each, for cash, at the exercise price of RM0.40 per ordinary share;

(b) issuance of 627,866 new ordinary shares of RM0.25 each, for cash, at the exercise price of RM0.31 per ordinary share; and

(c) issuance 1,374,839 new ordinary shares of RM0.25 each, for cash, at the exercise price of RM0.25 per ordinary share.

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

EMPLOYEE SHARE OPTIONS SCHEME ("ESOS")

The ESOS was implemented on 4 December 2002 for the benefit of eligible employees and full-time Executive Directors of the Group.

The ESOS Committee appointed by the Board of Directors, may from time to time offer options to eligible employees and full-time Executive Directors of the Group to subscribe for new ordinary shares of RM1.00 each in the Company.

Pursuant to the Corporate Restructuring Scheme implemented during the financial year, the par value of the ordinary shares had been reduced from RM1.00 to RM0.25 per share by the cancellation of RM0.75 of the par value of each share.

EMPLOYEE SHARE OPTIONS SCHEME ("ESOS") (Cont'd)

The salient features and other terms of the ESOS are as follows:

(i) the maximum number of shares to be offered and accepted under the ESOS shall not exceed ten per cent (10%) of the issued and paid-up share capital of the Company at any point in time during the duration of the ESOS.

(ii) the ESOS will be available to eligible employees including full-time Executive Directors of the Company and its subsidiaries, which are not dormant.

(iii) the ESOS shall be in force for a period of five (5) years from its commencement on 15 December 2002.

(iv) the subscription price shall be the higher of the following:

(a) the weighted average market price of the ordinary shares for the five (5) market days preceding the date of offer of the ESOS with a maximum discount of ten (10) per cent; and

(b) the par value of the ordinary shares.

(v) a grantee of options pursuant to the ESOS shall be allowed to exercise the options granted to him subject to the maximum percentage of the ESOS Options exercisable in each year commencing from the date of offer being as follows:

Year	Percentage
1	20%
2	20%
3	20%
4	20%
5	20%

The new ordinary shares to be issued under the ESOS, shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company, except that they will not be entitled to participate in any rights, allotments and/or any other distributions that may be declared, on a date which is before the allotment of such shares.

A total of 2,340,000 share options were offered by the Company to eligible employees and the full time Executive Directors of the Company on 3 December 2003 and only 2,209,000 of these options were accepted at an exercise price of RM1.59 per ordinary share. On 28 June 2004, a total of 2,567,000 share options were offered to eligible employees of the Company of which 2,141,000 were accepted at an exercise price of RM1.00 per ordinary share.

During the financial year, due to the Par Value Reduction and rights issue as a result of the Corporate Restructuring Scheme as disclosed in Note 33 to the financial statements, adjustments were made to the exercise price and additional number of shares of 261,075 were granted.

The movements in the ESOS options of unissued new ordinary shares of RM0.25 each and those that lapsed during the financial year were as follows:

	Number of ordinary shares under option
At 1 April 2007	2,576,600
Add: Adjusted due to the Corporate Restructuring Scheme	261,075
Less: Exercised during the financial year	(2,515,705)
Less: Lapsed due to resignations	(94,229)
Less: Unexercised and expired during the financial year*	(227,741)
At 31 March 2008	–

* The ESOS had expired on 14 December 2007.

WARRANTS

(a) Warrants of RM0.20 each

The proceeds of RM3,030,000 resulted from the issuance of 15,151,515 detachable warrants at a price of RM0.20 per warrant. The warrants were unexercised and had expired and lapsed on 27 June 2007 and the reserve of RM3,030,000 arising therefrom was credited to the accumulated losses.

(b) Warrants of RM0.25 each

Pursuant to the Corporate Restructuring Scheme as disclosed in Note 33 to the financial statements, 47,011,834 free detachable Warrants were issued with one (1) warrant for every four (4) Rights Shares issued. The Rights Shares issued were on a renounceable basis of nine (9) rights shares for every eight (8) existing ordinary shares of RM0.25 each held. The exercise price of the warrants had been fixed at RM0.25 per new ordinary share of RM0.25 each. Warrant holders have until 20 September 2009 to exercise the warrants.

As at 31 March 2008, 200 free detachable Warrants were exercised and the balance of 47,011,634 still remain unexercised.

STATUTORY INFORMATION

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

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

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

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

   (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

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

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

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

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

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

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

directors' report (cont'd)

STATUTORY INFORMATION (Cont'd)

(f) In the opinion of the Directors:

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

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

AUDITORS

The auditors, Ernst & Young have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 29 May 2008.

Tan Sri Datuk Adzmi bin Abdul Wahab
Chairman

Chew Liong Kim
Chief Executive Officer

income statements for the financial year ended 31 March 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Revenue	3	74,270	112,152	4,736	2,901
Cost of sales		(56,037)	(92,511)	–	–
Gross profit		18,233	19,641	4,736	2,901
Other income	4	17,226	594	785	201
Selling and distribution costs		(2,676)	(3,261)	–	–
Administrative expenses		(7,013)	(7,348)	(2,904)	(2,565)
Other expenses	5	(27,789)	(6,854)	(26,674)	(3,951)
Operating (loss)/profit		(2,019)	2,772	(24,057)	(3,414)
Finance costs	6	(1,183)	(1,355)	(507)	(588)
(Loss)/profit before tax	7	(3,202)	1,417	(24,564)	(4,002)
Taxation	10	(94)	700	–	–
(Loss)/profit for the financial year		(3,296)	2,117	(24,564)	(4,002)
Attributable to:					
Equity holders of the Company		(2,737)	1,941	(24,564)	(4,002)
Minority interests		(559)	176	–	–
		(3,296)	2,117	(24,564)	(4,002)
(Loss)/earnings per share attributable to equity holders of the Company (sen):					
Basic, for (loss)/profit for the financial year	11	(1.17)	2.55		

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The accompanying notes form an integral part of the financial statements.

balance sheets as at 31 March 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	5,105	3,885	648	444
Goodwill on consolidation		2,856	2,856	–	–
Intangible assets	13	904	1,366	721	1,060
Investment in subsidiaries	14	–	–	9,852	34,565
Amounts due from subsidiaries	15	–	–	64,454	44,808
Deferred tax assets	16	2,955	3,175	–	–
		11,820	11,282	75,675	80,877
Current assets					
Inventories	17	1,464	2,125	–	–
Trade receivables	18	31,842	51,750	–	–
Other receivables	19	3,860	8,106	107	583
Tax recoverable		371	207	126	–
Cash and bank balances	21	35,257	14,268	23,828	617
		72,794	76,456	24,061	1,200
TOTAL ASSETS		84,614	87,738	99,736	82,077
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	22	89,037	76,118	89,037	76,118
Share premium	23	5,488	15,738	5,488	15,738
Merger deficit		(13,509)	(13,509)	–	–
Warrants	24	–	3,030	–	3,030
Capital reserve	25	51	51	–	–
Foreign exchange reserve		4	–	–	–
Irredeemable convertible unsecured loan stocks					
- equity component	26	–	28,566	–	28,566
(Accumulated losses)/Retained profits	27	(23,010)	(95,731)	149	(51,073)
		58,061	14,263	94,674	72,379
Minority interests		1,563	2,122	–	–
Total equity		59,624	16,385	94,674	72,379

balance sheets as at 31 March 2008 (cont'd)

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Non-current liabilities					
Borrowings	28	426	1,089	–	–
Current liabilities					
Trade payables	30	11,897	38,923	–	–
Other payables	31	8,735	13,151	5,062	9,260
Borrowings	28	3,932	18,190	–	438
		24,564	70,264	5,062	9,698
Total liabilities		24,990	71,353	5,062	9,698
TOTAL EQUITY AND LIABILITIES		84,614	87,738	99,736	82,077

The accompanying notes form an integral part of the financial statements.

consolidated statement of changes in equity

for the financial year ended 31 March 2008

Group	Note	Share capital (Note 22) RM'000	Share premium (Note 23) RM'000	Warrants (Note 24) RM'000	Capital reserve (Note 25) RM'000	ICULS - equity component (Note 26) RM'000	Other reserves RM'000	Accumulated losses RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
		<— Attributable to the Equity Holders of the Company								—>	
			<— Non-Distributable				—>				
At 1 April 2006		76,118	15,738	3,030	51	28,566	(13,509)	(97,681)	12,313	1,810	14,123
Disposal of shares in a subsidiary to a minority shareholder	14(a)	–	–	–	–	–	–	–	–	110	110
Dilution arising from additional shares issued by a subsidiary	14(b)(ii)	–	–	–	–	–	–	9	9	26	35
Profit for the financial year		–	–	–	–	–	–	1,941	1,941	176	2,117
At 31 March 2007		76,118	15,738	3,030	51	28,566	(13,509)	(95,731)	14,263	2,122	16,385
At 1 April 2007		76,118	15,738	3,030	51	28,566	(13,509)	(95,731)	14,263	2,122	16,385
Foreign exchange translation differences		–	–	–	–	–	4	–	4	–	4
Expiry of unexercised warrants		–	–	(3,030)	–	–	–	3,030	–	–	–
Issue of new ordinary shares on conversion of ICULS at RM0.38 each		22,367	6,199	–	–	(28,566)	–	–	–	–	–
Par value reduction		(57,089)	–	–	–	–	–	57,089	–	–	–
Share premium reduction		–	(15,667)	–	–	–	–	15,667	–	–	–
Issue of new ordinary shares pursuant to the exercise of ESOS		629	115	–	–	–	–	–	744	–	744
Issue of new ordinary shares pursuant to the Rights issue of shares		47,012	–	–	–	–	–	–	47,012	–	47,012
Expenses incurred in connection with issue of shares		–	(897)	–	–	–	–	–	(897)	–	(897)
Dividend paid to minority shareholder of a subsidiary		–	–	–	–	–	–	(328)	(328)	–	(328)
Loss for the financial year		–	–	–	–	–	–	(2,737)	(2,737)	(559)	(3,296)
At 31 March 2008		89,037	5,488	–	51	–	(13,505)	(23,010)	58,061	1,563	59,624

consolidated statement of changes in equity

for the financial year ended 31 March 2008 (cont'd)

		<— Attributable to the Equity Holders of the Company					—>
			<— Non-Distributable		—>		
Company	Note	Share capital (Note 22) RM'000	Share premium (Note 23) RM'000	Warrants (Note 24) RM'000	ICULS - equity component (Note 26) RM'000	(Accumulated losses)/ Retained profits RM'000	Total Equity RM'000
At 1 April 2006		76,118	15,738	3,030	28,566	(47,071)	76,381
Loss for the financial year		–	–	–	–	(4,002)	(4,002)
At 31 March 2007		76,118	15,738	3,030	28,566	(51,073)	72,379
At 1 April 2007		76,118	15,738	3,030	28,566	(51,073)	72,379
Expiry of unexercised warrants		–	–	(3,030)	–	3,030	–
Issue of new ordinary shares on conversion of ICULS at RM0.38 each	26	22,367	6,199	–	(28,566)	–	–
Par value reduction		(57,089)	–	–	–	57,089	–
Share premium reduction		–	(15,667)	–	–	15,667	–
Issue of new ordinary shares pursuant to the exercise of ESOS		629	115	–	–	–	744
Issue of new ordinary shares pursuant to the Rights issue of shares		47,012	–	–	–	–	47,012
Expenses incurred in connection with issue of shares		–	(897)	–	–	–	(897)
Loss for the financial year		–	–	–	–	(24,564)	(24,564)
At 31 March 2008		89,037	5,488	–	–	149	94,674

The accompanying notes form an integral part of the financial statements.

cash flow statements

for the financial year ended 31 March 2008

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Cash Flows from Operating Activities				
(Loss)/profit before taxation	(3,202)	1,417	(24,564)	(4,002)
Adjustments for:				
Depreciation of property, plant and equipment	1,042	828	90	107
Amortisation of intangible assets	467	448	339	322
Impairment loss of investment in subsidiaries (Note 5 (a))	–	–	24,713	–
Loss on disposal of shares in a subsidiaries (Note 14 (a))	–	41	–	1,791
Gain on disposal of property, plant and equipment	(1)	–	–	–
Property, plant and equipment written off	11	103	–	76
Provision for doubtful debts (Notes 5(b))	21,385	280	–	–
Provision for doubtful debts written back	(170)	(86)	–	–
Bad debts written off	–	18	–	–
Net unrealised foreign exchange loss	–	6	–	–
Provision for obsolete stocks	262	–	–	–
Reversal of accrued cost no longer required (Note 4)	(15,610)	–	–	–
Interest expense	1,183	1,355	507	588
Interest income	(615)	(291)	(772)	(107)
Operating profit/(loss) before working capital changes	4,752	4,119	313	(1,225)
Decrease/(increase) in inventories	400	(306)	–	–
Decrease/(increase) in receivables	1,518	(28,612)	(423)	(477)
(Decrease)/increase in payables	(15,290)	23,336	(4,117)	3,075
Increase in net amounts due from subsidiaries	–	–	(19,646)	(99)
Cash (used in)/generated from operations	(8,620)	(1,463)	(23,873)	1,274
Tax paid	(38)	(199)	(126)	–
Interest received	615	288	772	107
Interest paid	(1,199)	(1,217)	(586)	(158)
Net cash (used in)/generated from operating activities	(9,242)	(2,591)	(23,813)	1,223
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(2,274)	(1,006)	(294)	(22)
Purchase of intangible assets	(5)	(110)	–	(110)
Proceeds from disposal of property, plant and equipment	2	–	–	–
Proceeds from disposal of shares in a subsidiary	–	69	–	69
Net cash used in investing activities	(2,277)	(1,047)	(294)	(63)

cash flow statements

for the financial year ended 31 March 2008 (cont'd)

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash Flows from Financing Activities				
Dividend paid to minority shareholders	(328)	–	–	–
Drawdown of borrowings	11,815	28,339	–	–
Repayment of borrowings	(24,457)	(23,914)	–	–
Repayment of hire purchase and lease financing	(1,002)	(159)	–	–
Proceeds of issuance of ordinary shares by a subsidiary to minority shareholders	–	35	–	–
Proceeds from issuance of ESOS	744	–	744	–
Proceeds from issuance of rights issue	47,012	–	47,012	–
Repayment of liability portion of ICULS	(438)	(1,227)	(438)	(1,227)
Net cash generated from/(used in) financing activities	33,346	3,074	47,318	(1,227)
Net increase/(decrease) in cash and cash equivalents	21,827	(564)	23,211	(67)
Cash and cash equivalents at beginning of year	13,430	13,994	617	684
Cash and cash equivalents at end of year (Note 21)	35,257	13,430	23,828	617

The accompanying notes form an integral part of the financial statements.

notes to the financial statements

31 March 2008

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Second Board of Bursa Malaysia Securities Berhad. The address of the registered office of the Company is as follows:

Suite 5.02, 5th Floor
Wisma Academy
No. 4A, Jalan 19/1
46300 Petaling Jaya
Selangor Darul Ehsan

The ultimate and immediate holding companies of the Company are Gryps Asset Management Sdn. Bhd. and VXL Holdings Sdn. Bhd. respectively. Both companies are incorporated in Malaysia.

The principal activities of the Company are investment holding and provision of management services to subsidiaries. The principal activities of the subsidiaries are set out in Note 14 to the financial statements.

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

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 May 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards ("FRS") in Malaysia.

At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2007 as described fully in Note 2.3.

The financial statements of the Group and of the Company have also been prepared on the historical basis and are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

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

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Summary of Significant Accounting Policies (Cont'd)

(a) Subsidiaries and Basis of Consolidation (Cont'd)

(ii) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of the financial period. Four subsidiaries were consolidated on the purchase method and all the other subsidiaries were consolidated in prior years using the merger method of accounting in accordance with Malaysian Accounting Standard No.2 "Accounting for Acquisitions and Mergers" which was the accounting standard prevailing at that time.

The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

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

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Under the merger method of accounting, the results of the subsidiaries are included in the consolidated income statement as if the merger had been effected throughout the current financial year and previous financial years. On consolidation, the difference between the carrying value of the investment and the nominal value of shares received is transferred to a merger reserve or deficit, as applicable.

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

(b) Intangible Assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Summary of Significant Accounting Policies (Cont'd)

(b) Intangible Assets (Cont'd)

(ii) Other intangible assets

Intangible assets relate to computer software and development expenditure. Computer software represents license fees paid to third parties and costs of internally developed software packages. Development expenditure mainly comprises direct costs which includes staff costs of the software development team and an appropriate portion of relevant overheads incurred in the development of computer software packages for resale.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

Costs incurred in the development of software which are not or have ceased to be commercially viable are written off.

(c) Property, Plant and Equipment, and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Computer equipment	14%
Furniture, fittings, office and Electronic Data Capture ("EDC") equipment	10% - 20%
Motor vehicles	14%
Renovation	20%

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Summary of Significant Accounting Policies (Cont'd)

(d) Contracts

Where the outcome of a contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of work accepted by the customers to date to the estimated total contract cost.

Where the outcome of a contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on contracts plus, recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(e) Impairment of Non-financial Assets

The carrying amounts of assets, other than contract assets, inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Summary of Significant Accounting Policies (Cont'd)

(f) Inventories

Inventories are stated at the lower of cost and net realisable value after making due provision for any obsolescence and/or slow moving items.

Cost is determined using the weighted average basis and comprises the purchase price plus the incidental cost of bringing the inventories to their intended location and condition. Costs incurred on projects expected to be completed within one year are reflected as work in progress.

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

(g) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangements. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liabilities simultaneously.

(i) Cash and cash equivalents

For the purposes of cash flow statements, cash and cash equivalents include cash on hand and at bank and deposits at call net of outstanding bank overdrafts.

(ii) Trade and other receivables

Trade and other receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iii) Trade and other payables

Trade and other payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

(iv) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Summary of Significant Accounting Policies (Cont'd)

(g) Financial Instruments (Cont'd.)

(v) Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

The fair values of the liability component and the equity conversion component of ICULS were determined upon the issuance of the ICULS. The fair value for the liability component, included in the current and non-current liabilities was calculated by discounting the stream of future interest payments at the prevailing market interest rate for a similar liability which is the borrowing from financial institutions. The fair value of the equity conversion component was calculated by deducting the fair value of the liability component from the total amount of ICULS. The fair value of the equity conversion component is included as part of shareholders' equity.

Coupon payments represent contractual obligations to settle the outstanding liability component and the related interest. The contractual obligation is in relation to the financial liability that exists as long as the instrument is not converted.

Reduction the liability component following the conversion of ICULS is recognised as a gain on conversion in the income statement.

(vi) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(h) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all risks and rewards incidental to ownership.

All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

Assets acquired under hire purchase arrangements are recognised and measured in a similar manner as finance leases.

(ii) Finance leases - the Group as lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Summary of Significant Accounting Policies (Cont'd)

(h) Leases (Cont'd)

(ii) Finance leases - the Group as lessee (Cont'd)

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2.2(c).

(iii) Operating leases - the Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(i) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(j) Income Tax

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

Deferred taxation is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Summary of Significant Accounting Policies (Cont'd)

(k) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Where the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(l) Employee Benefits

(i) Short term benefits

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

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as expenses in the income statement as incurred.

(iii) Equity compensation benefits

The Dataprep Holdings Berhad Employee Share Options Scheme ("ESOS"), an equity-settled, sharebased compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. Any revision of this estimate is included in profit or loss and a corresponding adjustment to equity over the remaining vesting period.

The Dataprep Holdings Berhad ESOS allows the Group's eligible employees to acquire shares of the Company. No compensation cost or obligation is recognised. When the options are exercised, equity is increased by the amount of the proceeds received.

notes to the financial statements

31 March 2008

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Summary of Significant Accounting Policies (Cont'd)

(m) Foreign Currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations.

Exchange differences arising on monetary items that form part of the Group's net investment in a foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operation, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in a foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in a foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Summary of Significant Accounting Policies (Cont'd)

(m) Foreign Currencies (Cont'd)

(iii) Foreign Operations (Cont'd)

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

(n) Revenue Recognition

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

(i) Revenue from sales of computer systems, equipment and software are recognised upon delivery of products net of discounts, if any, and upon the transfer of risks and rewards.

(ii) Revenue from maintenance, technology and software services are recognised as and when the services are performed.

(iii) Revenue from consultancy and system integration services and software development are recognised based on services performed and upon customer's acceptance of the services.

(iv) Revenue from contracts is accounted for by the stage of completion method as disclosed in Note 2.2(d).

(v) Revenue on application and content providers are recognised over the contractual period.

(vi) Revenue on rental of EDC equipment is recognised on an accrual basis.

(vii) Management fees are recognised when services are performed.

(viii) Interest income is recognised on an accruals basis based on the prevailing interest rate.

(ix) Dividend from subsidiaries are recognised when the right to receive payment is established.

2.3 Effects Arising from Adoption of New and Revised Financial Reporting Standards ("FRSs")

On 1 January 2007, the Company adopted the following FRSs mandatory for financial periods beginning on or after 1 January 2007:

FRS 6	:	Exploration for and Evaluation of Mineral Resources
FRS 117	:	Leases
FRS 124	:	Related Party Disclosures
FRS 119_{2004}	:	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures

The new and revised FRSs and Interpretations do not have any significant impact on the financial statements of the Group and the Company. The adoption of FRS 124 only affects disclosures and has no financial impact on the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3 Effects Arising from Adoption of New and Revised Financial Reporting Standards ("FRSs") (Cont'd)

At the date of authorisation of these financial statements, the following FRSs, amendments to FRS and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

FRS, Amendments to FRS and Interpretations	Effective for financial periods beginning on or after
FRS 139 : Financial Instruments: Recognition and Measurement	Deferred indefinitely
Amendment to FRS 121 : The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007
FRS 107 : Cash Flow Statements	1 July 2007
FRS 111 : Construction Contracts	1 July 2007
FRS 112 : Income Taxes	1 July 2007
FRS 118 : Revenue	1 July 2007
FRS 120 : Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 134 : Interim Financial Reporting	1 July 2007
FRS 137 : Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
IC Interpretation 1 : Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2 : Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5 : Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6 : Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7 : Applying the Restatement Approach under FRS 129_{2004} - Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8 : Scope of FRS 2	1 July 2007

The above FRSs, amendments to FRS and Interpretations are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application.

The Group and the Company is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

2.4 Significant Accounting Estimates and Judgements

Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Significant Accounting Estimates and Judgements (Cont'd)

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 March 2008 was RM2,856,000 (2007: RM2,856,000).

(ii) Depreciation of computer equipment

The cost of computer equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these computer equipment to be at 7 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised tax losses and capital allowances of the Group was RM14,156,000 (2007: RM12,737,000) and the unrecognised tax losses and capital allowances of the Group was RM51,889,000 (2007: RM50,414,000).

3. REVENUE

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Consulting and integration services	3,685	15,124	–	–
Outsourcing and managed services	68,863	96,065	–	–
Business process outsourcing services	1,722	963	–	–
Management services	–	–	4,736	2,901
	74,270	112,152	4,736	2,901

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4. OTHER INCOME

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Reversal of accrued cost no longer required (Note 5(b))	15,610	–	–	–
Interest income on:				
- deposits	615	291	359	32
- advance to a subsidiary	–	–	413	75
Incentive from suppliers	17	87	–	–
Bad debts recovered	637	–	–	–
Miscellaneous	347	216	13	94
	17,226	594	785	201

5. OTHER EXPENSES

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Impairment loss of investment in subsidiaries (a) & (Note 14)	–	–	24,713	–
Provision for doubtful debts (b)	21,385	280	–	–
Depreciation of property, plant and equipment	1,042	828	90	107
Amortisation of intangible assets	467	448	339	322
Loss on disposal of interest in subsidiaries (Note 14(a))	–	41	–	1,791
Miscellaneous	4,895	5,257	1,532	1,731
	27,789	6,854	26,674	3,951

(a) Impairment loss of investment in subsidiaries

Pursuant to the Corporate Restructuring Scheme (Note 33), the par value of the ordinary shares and the share premium account were reduced which gave rise to a total credit of RM72,756,000. This credit was utilised to set-off the accumulated losses of the Company then prevailing and the balance of RM24,713,000 was adjusted for impairment loss of investment in subsidiaries.

(b) Provision for doubtful debts

In the previous financial year, a subsidiary of the Company was awarded an overseas contract through a main local contractor for the supply of IT equipment for a total contract sum of RM122,500,000. In accordance with the Letter of Award by the contractor, an amount of RM18,375,000 was billed for mobilization fees by the subsidiary. At the same time, a provision for accrued costs of RM15,610,000 was recognised by the subsidiary. An advance of RM3,000,000 was also made to the contractor to help defray project set-up costs.

Due to unforeseen events beyond the control of the subsidiary, there are serious doubts as to the continuation of this oversea project. Accordingly, the Board has deemed it prudent to provide for doubtful debts of RM21,375,000 which form part of the above provision that comprising of the initial billings of RM18,375,000 (Note 18) and the RM3,000,000 (Note 19) advances extended to the project and also a reversal of the provision for accrued cost of RM15,610,000 (Note 4) that is no longer required in the current financial year.

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6. FINANCE COSTS

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Interest expense on:				
- ICULS interest on liability component	35	133	35	133
- term loan	273	439	–	–
- trust receipts	7	41	–	–
- bankers' acceptances	252	328	–	–
- bank overdraft	58	196	–	–
- hire purchase and finance lease liabilities	86	35	–	–
- advance from a fellow subsidiary	472	455	472	455
	1,183	1,627	507	588
Less: Term loan interest capitalised in costs of contracts (Note 20)	–	(272)	–	–
	1,183	1,355	507	588

7. (LOSS)/PROFIT BEFORE TAX

In addition to the disclosures in Notes 4 and 5, the following amounts have been included in arriving at (loss)/profit before tax:

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Employee benefits expense (Note 8)	19,789	22,098	2,903	2,565
Auditors' remuneration				
- statutory audit	92	65	15	9
- special audit	–	61	–	9
- overprovision	(3)	–	–	–
Provision for doubtful debts written back	(170)	(86)	–	–
Bad debts written off	–	18	–	–
Net foreign exchange (gains)/losses				
- realised	(46)	(127)	4	4
- unrealised	–	6	–	–
Non-executive directors' remuneration (Note 9)	158	162	158	162
Provision for obsolete stocks	262	–	–	–
Property, plant and equipment written off	11	103	–	76
Gain on disposal of property, plant and equipment	(1)	–	–	–
Rental of:				
- premises	1,279	1,421	174	236
- equipment	36	63	1	–
Dividend received from a subsidiary	–	–	467	–

8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Wages and salaries	17,012	18,831	2,450	2,175
Social security contribution	186	194	19	12
Contributions to defined contribution plan	1,963	2,148	288	264
Other staff related expenses	628	925	146	114
	19,789	22,098	2,903	2,565

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration (excluding benefits-in-kind) amounting to RM1,684,000 (2007: RM1,831,000) and RM538,000 (2007: RM538,000) respectively as further disclosed in Note 9.

9. DIRECTORS' REMUNERATION

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Executive Directors' remuneration (Note 8):				
- Salaries, commission and incentives	1,502	1,633	480	480
- Contributions to a defined contribution plan	181	196	58	58
- Social security contributions	1	2	–	–
	1,684	1,831	538	538
Non-Executive Directors' remuneration (Note 7):				
- Fees	130	133	130	133
- Allowances	28	29	28	29
	158	162	158	162
Total Directors' remuneration	1,842	1,993	696	700
Estimated money value of benefits-in-kind	111	90	46	25
Total Directors' remuneration including benefits-in-kind	1,953	2,083	742	725

9. DIRECTORS' REMUNERATION (Cont'd)

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors 2008	2007
Executive Directors:		
Nil	–	1*
RM550,001 to RM600,000	1	1
Non-executive directors:		
Below RM50,000	6*	5

* During the year, Datuk Lim Chee Wah has been redesignated as a non-executive director.

10. TAXATION

	Group 2008 RM'000	2007 RM'000
Malaysian income tax:		
Current income tax	60	5
Over provision in prior years	(186)	(7)
	(126)	(2)
Deferred tax (Note 16):		
Relating to origination and reversal of temporary differences	170	(916)
Relating to changes in tax rates	121	203
(Over)/underprovision in prior years	(71)	15
	220	(698)
Total income tax expense	94	(700)

The taxation charge for the Group is in respect of subsidiaries which have taxable income whilst there is no taxable income for the Company.

Malaysian current income tax is calculated at the statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the financial year. This statutory tax rate will be reduced to 25% in subsequent years of assessment. The computation of deferred tax as at 31 March 2008 has reflected these changes.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. During the current financial year, the income tax rate applicable to a subsidiary in Singapore was 20% (2007: 20%).

10. TAXATION (Cont'd)

The corporate tax rate for companies with paid-up capital of RM2.5 million and below at the beginning of the basis period for the Year of Assessment are as follows:

Chargeable Income	Year of Assessment 2008 Rate	2007 Rate
First RM500,000 (2007: RM500,000)	20%	20%
Amount exceeding RM500,000 (2007: RM500,000)	26%	27%

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
(Loss)/profit before taxation	(3,202)	1,417	(24,564)	(4,002)
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	(833)	383	(6,387)	(1,081)
Different tax rate in Singapore	1	6	–	–
Effect on changes in tax rates on opening balance of deferred tax	121	150	–	–
Tax incentive obtained for a differential tax rate of 20%	31	28	–	–
Deferred tax recognised at differing tax rate	–	53	–	–
Expenses not deductible for tax purposes	461	544	6,540	910
Income not subject to taxation	(197)	(56)	(197)	–
Utilisation of previously unrecognised unabsorbed capital allowances and unutilised tax losses	(194)	(1,353)	(54)	–
Deferred tax asset not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible timing differences	1,013	986	98	171
Deferred tax asset recognised on previously unrecognised tax losses	(52)	(1,449)	–	–
Over provision of tax expense in respect of prior years	(186)	(7)	–	–
(Under)/over provision of deferred tax in prior years	(71)	15	–	–
Income tax expense for the financial year	94	(700)	–	–

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Tax savings recognised during the financial year arising from:				
Utilisation of previously unrecognised tax losses	–	1,353	–	–
Utilisation of previously unrecognised capital allowances	194	–	54	–
	194	1,353	54	–

11. (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share amounts are calculated by dividing the (loss)/profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2008	2007
(Loss)/profit attributable to ordinary equity holders of the Company (RM'000)	(2,737)	1,941
Weighted average number of ordinary shares in issue ('000)	234,000	76,118
Basic (loss)/earnings per share for the financial year (sen)	(1.17)	2.55

The par value of the Company's shares was RM1.00 per share in 2007 and pursuant to the Corporate Restructuring Scheme and the court order dated 21 June 2007, it was reduced to RM0.25 per share (Note 33).

(b) Diluted

Diluted (loss)/earnings per share of the Group is calculated by dividing the (loss)/profit for the financial period attributable to equity holders of the Company by the adjusted weighted average number of ordinary shares in issue during the financial year. 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.

There was no dilution impact on loss per share for the current financial year as all ICULS were fully converted and the ESOS that was not exercised had expired and lapsed.

No disclosure is required in the income statement for the previous year, since the earnings per share was anti-dilutive.

12. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment RM'000	Furniture, fittings, office and EDC equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Group					
At 31 March 2008					
Cost					
At 1 April 2007	9,040	3,558	299	608	13,505
Additions	1,082	960	46	186	2,274
Disposal	(2)	–	–	–	(2)
Write-off	–	–	–	(13)	(13)
At 31 March 2008	10,120	4,518	345	781	15,764

12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Computer equipment RM'000	Furniture, fittings, office and EDC equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Group (Cont'd)					
At 31 March 2008 (Cont'd)					
Accumulated depreciation					
At 1 April 2007	6,576	2,566	107	371	9,620
Depreciation charge for the financial year	632	283	15	112	1,042
Disposal	(1)	–	–	–	(1)
Write-off	–	–	–	(2)	(2)
At 31 March 2008	7,207	2,849	122	481	10,659
Net Book Value					
At 31 March 2008	2,913	1,669	223	300	5,105
At 31 March 2007					
Cost					
At 1 April 2006	7,781	3,225	299	844	12,149
Additions	1,259	333	–	123	1,715
Write-off	–	–	–	(359)	(359)
At 31 March 2007	9,040	3,558	299	608	13,505
Accumulated Depreciation					
At 1 April 2006	6,148	2,350	94	456	9,048
Depreciation charge for the financial year	428	216	13	171	828
Write-off	–	–	–	(256)	(256)
At 31 March 2007	6,576	2,566	107	371	9,620
Net Book Value					
At 31 March 2007	2,464	992	192	237	3,885

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12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Computer equipment RM'000	Furniture, fittings, office and EDC equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Company					
At 31 March 2008					
Cost					
At 1 April 2007	339	160	257	3	759
Additions	282	5	–	7	294
Write-off	–	–	–	–	–
At 31 March 2008	621	165	257	10	1,053
Accumulated Depreciation					
At 1 April 2007	157	116	42	–	315
Depreciation charge for the financial year	43	33	13	1	90
Reclassification	–	(23)	23	–	–
At 31 March 2008	200	126	78	1	405
Net Book Value					
At 31 March 2008	421	39	179	9	648
At 31 March 2007					
Cost					
At 1 April 2006	334	146	257	252	989
Additions	5	14	–	3	22
Write-off	–	–	–	(252)	(252)
At 31 March 2007	339	160	257	3	759
Accumulated Depreciation					
At 1 April 2006	123	86	29	146	384
Depreciation charge for the financial year	34	30	13	30	107
Write-off	–	–	–	(176)	(176)
At 31 March 2007	157	116	42	–	315
Net Book Value					
At 31 March 2007	182	44	215	3	444

12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Included within property, plant and equipment of the Group are the cost of fully depreciated assets, which are still in use amounting to RM7,202,000 (2007: RM6,244,000).

During the financial year, the Group acquired property, plant and equipment at aggregate cost of RM2,274,000 (2007: RM1,715,000) of which RM Nil (2007: RM709,000) were acquired by means of hire purchase arrangements. Net carrying amount of property, plant and equipment held under hire purchase arrangements are as follows:

	Group	
	2008 RM'000	2007 RM'000
EDC equipment	584	737

Details of terms and conditions of the hire purchase arrangements are disclosed in Note 29.

Property, plant and equipment of a subsidiary at net book value amounting to RM Nil (2007: RM223,000) are pledged as security for the term loan, as disclosed in Note 28.

13. INTANGIBLE ASSETS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cost				
At 1 April 2007/2006	3,897	3,788	1,702	1,592
Addition	5	110	–	110
Write-off	–	(1)	–	–
At 31 March	3,902	3,897	1,702	1,702
Accumulated Amortisation				
At 1 April 2007/2006	2,531	2,084	642	320
Charge for the financial year	467	448	339	322
Write-off	–	(1)	–	–
At 31 March	2,998	2,531	981	642
Net Book Value				
At 31 March	904	1,366	721	1,060

14. INVESTMENT IN SUBSIDIARIES

	Company 2008 RM'000	Company 2007 RM'000
Unquoted shares, at cost	54,163	56,023
Disposal of shares in a subsidiary	–	(1,860)
	54,163	54,163
Less: Accumulated impairment losses	(44,311)	(19,598)
	9,852	34,565

Included in the accumulated impairment losses is an amount of RM24,713,000 being the adjustment by way of utilising part of the credit which resulted from the par value and the share premium reduction as disclosed in Note 5(a).

Details of the subsidiaries are as follows:

Name	Country of incorporation	Company's effective interest 2008 %	Company's effective interest 2007 %	Principal Activities
Dataprep (Malaysia) Sendirian Berhad*	Malaysia	100	100	Provision of IT outsourcing and managed services.
Solsis (M) Sdn. Bhd.*	Malaysia	55	55	Provision of computer hardware, network services, applications and contact centre.
Solsisnet Sdn. Bhd.*	Malaysia	100	100	Provision of networking equipment, services and training.
Instant Office Sdn. Bhd.*	Malaysia	100	100	Provision of internet application service.
HRM Business Consulting Sdn. Bhd.*	Malaysia	51	51	Provision of consultancy and Consulting integration services.
Dataprep Distribution Sdn. Bhd.	Malaysia	100	100	Under court winding up.
Dataprep Payment Solutions Sdn. Bhd.*	Malaysia	100	100	Provision of information technology services and secured payment solutions.
Tamadun Interaktif Sdn. Bhd.*	Malaysia	60	60	Dormant.
DP International Ltd.	British Virgin Islands	100	100	Provision of consultancy and integration services.

14. INVESTMENT IN SUBSIDIARIES (Cont'd)

Name	Country of incorporation	Company's effective interest 2008 %	Company's effective interest 2007 %	Principal Activities
IO Holdings Ltd.	British Virgin Islands	100	100	Dormant.
DP International Pte. Ltd.	Singapore	100	100	Provision of information technology services and solutions.
HRMBC Franchise Advisory Sdn. Bhd.*#	Malaysia	33	33	Provision of franchise consultancy services.

* Audited by Ernst & Young, Malaysia.
\# Although the Group holds less than 51% of the voting power in HRMBC Franchise Advisory Sdn. Bhd. ("HRMBCFA"), the Group has the power to govern the financial and operating policies of HRMBCFA so as to obtain benefits from its activities.

(a) Disposal of shares in a subsidiary

On 20 July 2006, the Company entered into a share sale agreement to dispose of 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 RM41,038 and RM1,791,367 to the Group and Company respectively as disclosed in Note 5.

(b) Acquisition of subsidiaries

(i) Acquisition of DP International Pte. Ltd. ("DPIPL")

On 27 July 2006, DP International Ltd, a wholly owned subsidiary of the Company, acquired a 100% equity interest in DPIPL, a company incorporated in Singapore on 5 June 2006, for a cash consideration of SGD1.00. The principal activity of DPIPL is the provision of information technology services and solutions.

The effects of the acquisition of the subsidiary on the financial results of the Group from the date of acquisition to 31 March 2007 were as follows:

	RM'000
Revenue	184
Operating costs	(265)
Loss for the financial period	(81)

14. INVESTMENT IN SUBSIDIARIES (Cont'd)

(b) Acquisition of subsidiaries (Cont'd)

(i) Acquisition of DP International Pte. Ltd. ("DPIPL") (Cont'd)

The effects of the acquisition of the subsidiary on the financial position of the Group from the date of acquisition to 31 March 2007 were as follows:

	RM'000
Receivables	17
Cash and bank balances	170
Payables	(268)
Group's share of net assets	(81)

The fair value of the assets and liabilities assumed at the date of acquisition of the subsidiary was RM2 and the net cash outflow on acquisition was RM2.

(ii) Acquisition of HRMBCFA

On 5 September 2006, HRM Business Consulting Sdn. Bhd., a 51% owned subsidiary of the Company, acquired 2 ordinary shares of RM1 each representing 100% equity interest in HRMBCFA for a cash consideration of RM2. The principal activity of HRMBCFA is the provision of franchise consulting services.

The fair value of the assets and liabilities assumed at the date of acquisition of the subsidiary was RM2 and the net cash outflow on acquisition was RM2.

On 26 January 2007, HRMBCFA increased its paid up share capital from RM2 to RM100,000. HRM Business Consulting Sdn. Bhd. had, on the same day, subscribed for 64,998 ordinary shares of RM1 each, representing a 65% equity interest in HRMBCFA for a cash consideration of RM64,998.

The Group's effective equity interest in HRMBCFA decreased from 51% to 33% when HRMBCFA issued new ordinary shares to minority shareholders and the Group did not take up its proportionate share of new ordinary shares issued. Accordingly, a gain on deemed disposal of RM8,632 arising from the dilution of equity interest is recognised as a movement in equity.

The effects of the acquisition of the subsidiary on the financial results of the Group from the date of acquisition to 31 March 2007 was as follows:

	RM'000
Revenue	9
Operating and finance costs	(115)
Loss for the year	(106)

14. INVESTMENT IN SUBSIDIARIES (Cont'd)

(b) Acquisition of subsidiaries (Cont'd)

(ii) Acquisition of HRMBCFA (Cont'd)

The effects of the acquisition of the subsidiary on the financial position of the Group from the date of acquisition to 31 March 2007 was as follows:

	RM'000
Cash and bank balances	17
Payables	(25)
Group's share of net assets	(8)

(c) Winding up of a subsidiary

A subsidiary, Dataprep Distribution Sdn. Bhd. ("DDSB") was issued with a court order dated 25 February 2004 for winding-up under Section 218(1)(e) of the Companies Act, 1965, and the Director General of Insolvency has been appointed the Official Receiver and Liquidator. The subsidiary has been deconsolidated from the financial statements of the Group with effect from that date. To date, the winding-up of DDSB has yet to be completed.

15. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2008 RM'000	2007 RM'000
Cost	68,630	48,984
Provision for doubtful debts	(4,176)	(4,176)
	64,454	44,808

The amounts due from subsidiaries are unsecured and no repayment is expected within the next 12 months. They are interest free except for an amount of RM18,445,000 (2007: RM1,000,000) due from subsidiaries which bears interest of 5.8% (2007: 7.5%) per annum.

16. DEFERRED TAX ASSETS

	Group	
	2008 RM'000	2007 RM'000
At 1 April 2007/2006	3,175	2,477
Recognised in income statement (Note 10)	(220)	698
At 31 March	2,955	3,175

16. DEFERRED TAX ASSETS (Cont'd)

Presented after appropriate offsetting as follows:-

	Group 2008 RM'000	Group 2007 RM'000
Deferred tax assets	3,674	3,601
Deferred tax liabilities	(719)	(426)
	2,955	3,175

The components and movements of the deferred tax liabilities and assets during the financial year prior to the offsetting are as follows:

Deferred Tax Assets of the Group:

	Unused Tax Losses and Unabsorbed Capital Allowances RM'000	Provisions RM'000	Total RM'000
At 1 April 2007	3,439	162	3,601
Recognised in the income statement	100	(27)	73
At 31 March 2008	3,539	135	3,674
At 1 April 2006	2,224	253	2,477
Recognised in the income statement	1,215	(91)	1,124
At 31 March 2007	3,439	162	3,601

Deferred Tax Liabilities of the Group:

	Accelerated Capital Allowances RM'000	Total RM'000
At 1 April 2007	426	426
Recognised in the income statement	293	293
At 31 March 2008	719	719
At 1 April 2006	–	–
Recognised in the income statement	426	426
At 31 March 2007	426	426

16. DEFERRED TAX ASSETS (Cont'd)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Unutilised tax losses	49,309	46,244	11,465	11,027
Unabsorbed capital allowances	2,580	4,170	1,912	2,751
Other deductible timing differences	4,234	3,095	4,212	2,950
	56,123	53,509	17,589	16,728

Deferred tax assets have not been recognised in respect of these items as they have arisen in subsidiaries that have a history of losses and it is not probable for them to have future profits for offset in the near term.

Deferred tax assets have not been recognised in respect of unutilised tax losses and unabsorbed capital allowances arising in the Company as it expects to achieve significant profits sufficient to offset these items in the longer-term.

17. INVENTORIES

	Group	
	2008 RM'000	2007 RM'000
At cost		
Computer equipment, spares and supplies	2,114	3,055
EDC equipment and thermal roll paper	194	196
Work in progress	198	358
	2,506	3,609
Provision for obsolete stocks		
At 1 April 2007/2006	(1,484)	(1,484)
Addition	(262)	–
Write off	704	–
At 31 March	(1,042)	(1,484)
	1,464	2,125

The cost of inventories recognised as an expense during the financial year of the Group amounted to RM7,930,000 (2007: RM2,411,000).

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18. TRADE RECEIVABLES

	Group 2008 RM'000	Group 2007 RM'000
At cost		
Trade receivables	47,650	50,718
Due from customers on contracts (Note 20)	2,585	1,409
	50,235	52,127
Provision for doubtful debts		
At 1 April 2007/2006	(377)	(183)
Addition	(18,375)	(280)
Write back	170	86
Write off	189	–
At 31 March	(18,393)	(377)
	31,842	51,750

The Group's policy requires trade receivables to be collected within 90 days (2007: 90 days). Other credit terms given to trade receivables are assessed and approved on a case-by-case basis.

The additional provision for doubtful debts of RM18,375,000 is in respect of an overseas contract awarded to a subsidiary, details of which are disclosed in Note 5(b).

The Group has no other significant exposure to any individual or group of customers.

19. OTHER RECEIVABLES

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Prepayments	2,241	2,865	78	466
Prepaid interest	59	678	–	–
Deposits	404	611	14	8
Advances to employees	35	26	–	2
Other advances	3,000	3,000	–	–
Club memberships	161	161	–	–
Interest income receivable	19	18	–	–
Sundry receivables	961	757	15	107
	6,880	8,116	107	583
Provision for doubtful debts	(3,020)	(10)	–	–
	3,860	8,106	107	583

19. OTHER RECEIVABLES (Cont'd)

Included in the provision for doubtful debts of RM3,020,000 is a provision of RM3,000,000 for an advance to a main local contractor in connection with an overseas contract awarded to a subsidiary, details of which are disclosed in Note 5(b).

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

20. DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	Group	
	2008 RM'000	2007 RM'000
Contract costs incurred to date	63,622	53,387
Attributable profits	10,954	7,737
	74,576	61,124
Less: Progress billings	(76,556)	(64,738)
	(1,980)	(3,614)
Due from customers on contracts (Note 18)	2,585	1,409
Due to customers on contracts (Note 30)	(4,565)	(5,023)
	(1,980)	(3,614)

The costs incurred to-date on contracts include interest expenses for the financial year of RM Nil (2007: RM272,000).

21. CASH AND BANK BALANCES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Deposits with:				
- Licensed Commercial Banks	8,843	12,223	64	564
- Licensed Investment Bank	23,296	–	23,296	–
Cash and bank balances	3,118	2,045	468	53
	35,257	14,268	23,828	617

The deposits of RM7,543,000 (2007: RM7,823,000) for the Group and RM64,000 (2007: RM564,000) for the Company are pledged as security for credit facilities granted to the Group as disclosed in Note 28.

21. CASH AND BANK BALANCES (Cont'd)

For the purpose of the cash flow statements, cash and cash equivalents comprise the following as at balance sheet date.

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Deposits with:				
- Licensed Commercial Banks	8,843	12,223	64	564
- Licensed Investment Bank	23,296	–	23,296	–
Cash and bank balances	3,118	2,045	468	53
	35,257	14,268	23,828	617
Less:				
Short term borrowings				
- bank overdraft (Note 28)	–	(838)	–	–
	35,257	13,430	23,828	617

The weighted average effective interest rates of deposits as at the end of the financial year were as follows:

	Group		Company	
	2008 %	2007 %	2008 %	2007 %
- Licensed Commercial Banks	2.91	2.71	2.00	2.80
- Licensed Investment Bank	3.93	–	3.93	–

The average maturities of deposits as at the end of the financial year were as follows:

	Group		Company	
	2008 Days	2007 Days	2008 Days	2007 Days
- Licensed Commercial Banks	68	185	4	27
- Licensed Investment Bank	22	–	22	–

22. SHARE CAPITAL

	Group & Company			
	Number of Ordinary Shares of		Amount	
	RM0.25 each	RM1.00 each		
	2008 '000	2007 '000	2008 RM'000	2007 RM'000
Authorised:				
At beginning of financial year	500,000	500,000	500,000	500,000
Increase during the year	1,500,000	–	–	–
At end of financial year	2,000,000	500,000	500,000	500,000
Issued:				
At beginning of financial year	76,118	76,118	76,118	76,118
Par Value Reduction	–	–	(57,089)	–
Issue of new shares:				
- ICULS (i) & (Note 26)	89,467	–	22,367	–
- Rights issue (ii)	188,047	–	47,012	–
- ESOS (iii)	2,516	–	629	–
At end of financial year	356,148	76,118	89,037	76,118

Pursuant to a court order dated 21 June 2007, the par value of the Company's ordinary shares were reduced from RM1.00 per share to RM0.25 per share by the cancellation of RM0.75 of the par value of each share in accordance with the Corporate Restructuring Scheme (Note 33). Consequently, the authorised share capital was increased from 500,000,000 ordinary shares to 2,000,000,000 ordinary shares of RM0.25 per share.

During the financial year, the issued and paid-up share capital of the Company was increased from 76,118,087 to 356,148,288 ordinary shares by way of:

(i) the mandatory conversion of the expired 4%, five (5)-year Irredeemable Convertible Unsecured Loan Stocks 2002/2007 ("4% ICULS-5") into ordinary shares of 89,467,157 of RM0.25 each at a conversion price of RM0.38 per ICULS.

(ii) the issuance of 188,047,339 right shares of RM0.25 each at an issue price of RM0.25 per share for cash together with 47,011,834 free detachable warrants, on a renounceable basis of nine (9) rights shares for every eight (8) existing ordinary shares of RM0.25 each held, with one (1) warrant for every four (4) rights shares issued.

(iii) the exercise of ESOS:

(a) issuance of 513,000 new ordinary shares of RM0.25 each, for cash, at the exercise price of RM0.40 per ordinary share;

(b) issuance of 627,866 new ordinary shares of RM0.25 each, for cash, at the exercise price of RM0.31 per ordinary share; and

(c) issuance 1,374,839 new ordinary shares of RM0.25 each, for cash, at the exercise price of RM0.25 per ordinary share.

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

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23. SHARE PREMIUM

The share premium of the Company was reduced from RM15,738,000 to RM5,488,000, mainly due to the Corporate Restructuring Scheme as disclosed in Note 33, details of which are included in the Statement of Changes in Equity.

24. WARRANTS

(a) Warrants of RM0.20 each

The proceeds of RM3,030,000 resulted from the issuance of 15,151,515 detachable warrants at a price of RM0.20 per warrant. The warrants were unexercised and had expired and lapsed on 27 June 2007 and the reserve of RM3,030,000 arising therefrom was credited to the accumulated losses.

(b) Warrants of RM0.25 each

Pursuant to the Corporate Restructuring Scheme as disclosed in Note 33, 47,011,834 free detachable Warrants were issued with one (1) warrant for every four (4) Rights Shares issued. The Rights Shares issued were on a renounceable basis of nine (9) rights shares for every eight (8) existing ordinary shares of RM0.25 each held. The exercise price of the warrants had been fixed at RM0.25 per new ordinary share of RM0.25 each. Warrant holders have until 20 September 2009 to exercise the warrants.

As at 31 March 2008, 200 free detachable Warrants were exercised and the balance of 47,011,634 still remain unexercised.

25. CAPITAL RESERVE

Capital reserve represents the Company's share of equity in a subsidiary, HRM Business Consulting Sdn. Bhd., arising from a bonus issue out of the prior year's retained earnings of the said subsidiary.

26. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS")

The ICULS is recognised in the balance sheet as follows:

	Group and Company	
	2008 RM'000	2007 RM'000
Face value of ICULS at 1 April 2007/2006	35,911	35,911
Conversion to shares during the financial year	(28,566)	–
Face value of ICULS at 31 March	7,345	35,911
Deemed repayment of ICULS liability component	(7,345)	(6,907)
Total equity and liability component	–	29,004
Equity conversion component	–	(28,566)
Liability component (Note 28)	–	438

26. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") (Cont'd)

	Group and Company	
	2008	2007
	RM'000	RM'000
Due within 12 months (Note 28)	–	438
Due after 12 months (Note 28)	–	–
	–	438

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

(i) 30,000,000 nominal amount of 4.00% three (3) year ICULS in the Company at 100% nominal amount of RM1 each which was mandatorily converted to ordinary shares of RM1.00 each on 5 August 2005; and

(ii) 34,062,520 nominal amount of 4.00% five (5) year ICULS in the Company at 100% nominal amount of RM1 each.

The movements of the ICULS since inception are as follows:

	Total RM'000	Equity RM'000	Liability RM'000
Fair value of ICULS issued on 6 August 2002			
- three year 4.00% ICULS	30,000	26,907	3,093
- five year 4.00% ICULS	34,062	28,622	5,440
	64,062	55,529	8,533
Conversion of ICULS	(28,151)	(26,713)	(1,438)
Repayment of liability component	(6,907)	–	(6,907)
Reclassification	–	(250)	250
At 1 April 2007	29,004	28,566	438
Repayment of liability component	(438)	–	(438)
Conversion of ICULS	(28,566)	(28,566)	–
At 31 March 2008	–	–	–

(b) The principal terms of the ICULS are as follows:

(i) The ICULS bear interest of 4.00% 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;

(ii) 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 each. As a consequence to the Corporate Restructuring Scheme (Note 33), the conversion price was adjusted to RM0.38 per ICULS for one ordinary share of RM0.25 each;

26. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") (Cont'd)

(b) The principal terms of the ICULS are as follows (Cont'd):

(iii) The ICULS will be mandatorily converted into new ordinary shares of the Company at the conversion price of RM0.38 per ICULS for one ordinary share of RM0.25 each on the maturity date; and

(iv) 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.

(c) The carrying value of the ICULS approximates its fair value.

(d) 4% five (5) years ICULS of RM0.25 each expired on 6 August 2007 and was mandatorily converted into ordinary shares of 89,467,158 of RM0.25 each at a conversion price of RM0.38 per ICULS. The premium arising from the ICULS conversion of RM6,200,000 has been credited to the share premium account.

27. RETAINED PROFITS

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 March 2008, the Company has sufficient balance in the tax-exempt income account and credit in the Section 108 balance out of its entire retained earnings.

28. BORROWINGS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Short term borrowings:				
Secured:				
Bank overdrafts (Note 21)	–	838	–	–
Bankers' acceptances	2,833	6,695	–	–
Term loan	–	8,781	–	–
Unsecured:				
ICULS (Note 26)	–	438	–	438
Hire purchase and finance lease liabilities (Note 29)	1,099	1,438	–	–
	3,932	18,190	–	438

28. BORROWINGS (Cont'd)

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Long term borrowings:				
Unsecured:				
Hire purchase and finance lease liabilities (Note 29)	426	1,089	–	–
	4,358	19,279	–	438
Represented by:				
Total borrowings				
Term loan	–	8,781	–	–
Bankers' acceptances	2,833	6,695	–	–
Bank overdrafts (Note 21)	–	838	–	–
ICULS (Note 26)	–	438	–	438
Hire purchase and finance lease liabilities (Note 29)	1,525	2,527	–	–
	4,358	19,279	–	438
Maturity of borrowings (excluding hire purchase liabilities):				
Within one year	2,833	16,752	–	438

The rates of interest during the financial year were as follows:

	2008 %	2007 %
Bank overdrafts	7.8 to 8.3	7.8 to 8.0
Bankers' acceptances	4.7 to 5.0	3.7 to 5.1
Term loans	6.3 to 6.5	6.3 to 6.5

The bank overdrafts and bankers' acceptances of subsidiaries are secured by the deposits pledged with the banks as disclosed in Note 21.

In the previous financial year, the balance of the term loan of RM8,781,000 which was granted to a subsidiary for financing the cost of certain long-term contracts was fully settled. This term loan was secured by debentures incorporating a first fixed and floating charge over all present and future assets and undertakings of the subsidiary, assignment of contract proceeds and corporate guarantees from the Company.

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29. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group 2008 RM'000	Group 2007 RM'000
Future minimum lease payments:		
Not later than 1 year	1,152	1,543
Later than 1 year and not later than 2 years	435	1,054
Later than 2 year and not later than 5 years	–	70
Total future minimum lease payments	1,587	2,667
Less: Future finance charges	(62)	(140)
Present value of hire purchase liabilities (Note 28)	1,525	2,527
Analysis of present value of hire purchase liabilities:		
Not later than 1 year	1,099	1,438
Later than 1 year and not later than 2 years	426	1,020
Later than 2 year and not later than 5 years	–	69
	1,525	2,527
Less: Amount due within 12 months (Note 28)	(1,099)	(1,438)
Amount due after 12 months (Note 28)	426	1,089

The hire purchase liabilities bore interest at the balance sheet date ranging from 4.8% to 6.2% (2007: 4.8% to 6.2%) per annum.

30. TRADE PAYABLES

	Group 2008 RM'000	Group 2007 RM'000
Trade payables	7,332	33,900
Due to customers on contract (Note 20)	4,565	5,023
	11,897	38,923

The credit terms of the Group's trade payables range from 60 days to 90 days (2007: 60 days to 90 days).

31. OTHER PAYABLES

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Interest on ICULS	–	887	–	887
Advance from a fellow subsidiary (Note 32)	4,145	7,300	4,145	7,300
Accrued interest on advance from a fellow subsidiary (Note 32)	482	611	482	611
Accrued staff cost	52	98	3	3
Accrued short term accumulating compensated benefits	222	236	36	37
Accrued professional and legal fees	154	209	29	59
Service tax payable	17	88	–	–
Deferred income	1,215	1,433	–	–
Sundry payables and accruals	2,448	2,289	367	363
	8,735	13,151	5,062	9,260

The credit terms of the Group and of the Company's other payables range from 60 days to 90 days (2007: 60 days to 90 days).

32. SIGNIFICANT RELATED PARTY DISCLOSURES

The significant outstanding amounts as at 31 March 2008 due from/(to) companies in which a director, Datuk Lim Chee Wah has or had interests are set out below:

	Group 2008 RM'000	Group 2007 RM'000
e-Genting Sdn. Bhd.	–	47
VXL Holdings Sdn. Bhd., holding company	15	41
VXL Management Sdn. Bhd.*		
- Advance (Note 31)	(4,145)	(7,300)
- Interest on advance (Note 31)	(482)	(611)
- Trading	25	–
VXL Management Services Pte. Ltd.*	–	32
VXL Capital Ltd.*	–	92
Kien Huat Development Sdn. Bhd.	11	3
Genting Sanyen (M) Sdn. Bhd.	–	7
Resorts World Berhad	3	15
	(4,573)	(7,674)

* These companies are fellow subsidiaries of the Company.

The amounts due from/(to) Director related companies are unsecured, interest free and have no fixed terms of repayment except for the advance from VXL Management Sdn. Bhd., a fellow subsidiary, which bears an interest of 7.5% (2007: 7.5%) per annum and is repayable within 12 months.

32. SIGNIFICANT RELATED PARTY DISCLOSURES (Cont'd)

The Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Transactions with companies in which a director, Datuk Lim Chee Wah has interests:				
(a) Advance received from VXL Management Sdn. Bhd.	–	3,000	–	3,000
(b) Interest charged by VXL Management Sdn. Bhd.	471	455	471	455
(c) Interest charged by Kien Huat Development Sdn. Bhd.	–	70	–	–
(d) Handling fees charged by Kien Huat Development Sdn. Bhd.	–	272	–	–
(e) Reimbursement of expenses by VXL				
- VXL Holdings Sdn. Bhd., holding company	–	(65)	–	(65)
- VXL Capital Ltd.	–	(92)	–	(92)
(f) Product sales to:				
- Genting Sanyen (M) Sdn. Bhd.	(7)	–	–	–
- Kien Huat Development Sdn. Bhd.	–	(50)	–	–
- e-Genting Sdn. Bhd.	(170)	(97)	–	–
- Genting Berhad	(17)	–	–	–
(g) Subscription fees charged to:				
- VXL Management Sdn. Bhd.	(6)	(6)	–	–
- Kien Huat Development Sdn. Bhd.	(11)	(11)	–	–

The Directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on a negotiated basis.

Compensation of key management personnel

The remuneration of Company's Executive Directors and other members of key management (Directors of subsidiaries) during the financial year was as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Short term employee benefits	1,919	2,030	783	783
Post-employment benefits				
- Defined contribution plan	207	222	84	84
- Defined benefit plan	17	17	17	17
Share-based payment	10	–	5	–
	2,153	2,269	889	884

32. SIGNIFICANT RELATED PARTY DISCLOSURES (Cont'd)

Included in the remuneration of the total key management personnel are:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Directors' remuneration	1,795	1,921	584	563

Executive Directors of the Group and the Company and other members of key management have been granted the following number of options under the ESOS:

	Group		Company	
	2008 '000	2007 '000	2008 '000	2007 '000
At 1 April 2007/2006	833	833	579	579
Adjusted	70	–	25	–
Exercised	(903)	–	(604)	–
At 31 March	–	833	–	579

The share options were granted on the same terms and conditions as those offered to other employees of the Group.

33. SIGNIFICANT AND SUBSEQUENT EVENTS

Corporate Restructuring Scheme ("The Scheme")

On 8 May 2006, the Company proposed a Corporate Restructuring Scheme to regularise its financial conditions following its designation as an affected listed issuer pursuant to Amended PN 17. The Scheme was duly completed during the financial year. The details are as follows:

(i) Par Value Reduction and Share Premium Reduction (collectively referred to as "Capital Reduction")

Pursuant to The Scheme, the par value of the ordinary shares of the Company was reduced from RM1.00 per share to RM0.25 per share by the cancellation of RM0.75 of the par value of each share which gave rise to a credit of RM57,089,000. Concurrently, the share premium was reduced by RM15,667,000. The total credit arising from the Capital Reduction of RM72,756,000 was utilised to set-off the accumulated losses of the Company then prevailing and the balance of RM24,713,000 was adjusted for impairment loss of investments in subsidiaries. The Memorandum and Articles of Association of the Company have been amended accordingly.

(ii) Rights Issue of Shares with free detachable Warrants

The Rights Issue of Shares with free detachable Warrants on the basis of nine (9) Rights Shares for every eight (8) existing ordinary shares of RM0.25 each, with one (1) Warrant for every (4) Rights Shares issued, was completed on 25 September 2007, upon the listing of and quotation for the 188,047,339 Rights Shares and 47,011,834 Warrants on the Second Board of Bursa Malaysia Securities Berhad ("Bursa"). The rights issue of shares with warrants had raised gross proceeds of RM47,012,000.

The exercise price of the Warrants had been fixed at RM0.25 per new ordinary share of RM0.25 each. Warrant holders have until 20 September 2009 to exercise the Warrants.

33. SIGNIFICANT AND SUBSEQUENT EVENTS (Cont'd)

Upon the implementation of The Scheme outlined above, the Company was able to regularise its financial conditions and ceased to be an affected listed issuer pursuant to the Amended PN17 of the Listing Requirements of Bursa Malaysia on 8 October 2007.

On 14 April 2008, the proposed issuance of up to RM10,000,000 nominal value of 5% three (3) - year irredeemable convertible unsecured loan stocks ("ICULS") of which RM4,480,000 nominal value of ICULS was to be issued to VXL Management Sdn. Bhd. as part set off against the outstanding amount and the balance of RM5,520,000 nominal value of the ICULS to be issued to private placees was cancelled due to the depressed market conditions and the difficulty in securing placees. Consequently, the amount owing to VXL Management Sdn. Bhd. of RM4,628,000 will be settled by way of cash.

34. OPERATING LEASE COMMITMENTS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Future minimum rental payable:				
Not later than 1 year	1,019	730	18	15
Later than 1 year and not later than 5 years	375	536	15	–
	1,394	1,266	33	15

35. CONTINGENT LIABILITIES (UNSECURED)

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Corporate Guarantee given to financial institutions:				
- for credit facilities of subsidiaries	–	135	–	135
- for performance guarantees given to third parties	4,247	5,288	4,247	5,288
Corporate guarantees given to suppliers of subsidiaries	–	–	418	2,513

36. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency, liquidity, and credit risks. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

36. FINANCIAL INSTRUMENTS (Cont'd)

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income is substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or occasionally, in short term commercial papers.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

(c) Foreign currency risk

The Group is exposed to transactional currency risk primarily through purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollars (USD). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

Functional Currency of Group Companies	Net Financial Liabilities Held in Non-Functional Currencies United States Dollars RM'000
At 31 March 2008	
Ringgit Malaysia	14
At 31 March 2007	
Ringgit Malaysia	371

(d) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

(e) Credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

36. FINANCIAL INSTRUMENTS (Cont'd)

(e) Credit risk (Cont'd)

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

(f) Fair values

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values.

37. SEGMENTAL INFORMATION

The primary segment reporting format is determined to be business segments as the Group's risk and rates of return are affected predominantly by differences in the products and services produced. Secondary information by geographical location is not presented as the Group's operations are located primarily in Malaysia.

The operating businesses are organised and managed separately according to the nature of the products and services provided with each segment representing a strategic business unit that offers different services and serves different markets.

The Group is providing the following services:

(i) Consulting, technology and integration services
(ii) Outsourcing and managed services
(iii) Business process outsourcing services
(iv) Management service

Business Segments

The following table provides an analysis at the Group's revenue, results, assets, liabilities and other information by business segment.

31 March 2008	Consulting, technology & integration services RM'000	Outsourcing & managed services RM'000	Business process outsourcing services RM'000	Management services RM'000	Elimination RM'000	Group RM'000
REVENUE						
External sales	3,685	68,863	1,722	–	–	74,270
Intersegment sales	–	2,836	2	4,736	(7,574)	–
Total revenue	3,685	71,699	1,724	4,736	(7,574)	74,270

37. SEGMENTAL INFORMATION (Cont'd)

Business Segments (Cont'd)

31 March 2008 (Cont'd)	Consulting, technology & integration services RM'000	Outsourcing & managed services RM'000	Business process outsourcing services RM'000	Management services RM'000	Elimination RM'000	Group RM'000
RESULTS						
Segment (loss)/profit	(1,312)	(821)	51	(71)	(448)	(2,601)
Interest income						615
Unallocated expenses						(33)
Loss from operations						(2,019)
Interest expense						(1,183)
Loss before tax						(3,202)
Taxation						(94)
Loss after tax						(3,296)
OTHER INFORMATION						
Segment assets	15,890	34,062	173	31,163		81,288
Unallocated assets						3,326
Total assets						84,614
Segment liabilities	6,422	13,485	18	5,065		24,990
Unallocated liabilities						–
Total liabilities						24,990
Capital expenditure	21	963	999	296	–	2,279
Depreciation and amortisation	138	753	309	309	–	1,509
Property, plant and equipment written off	–	–	11	–	–	11
Provision for doubtful debts	–	21,385	–	–	–	21,385

37. SEGMENTAL INFORMATION (Cont'd)

Business Segments (Cont'd)

31 March 2007	Consulting, technology & integration services RM'000	Outsourcing & managed services RM'000	Business process outsourcing services RM'000	Management services RM'000	Elimination RM'000	Group RM'000
REVENUE						
External sales	15,124	96,065	963	–	–	112,152
Intersegment sales	739	8,659	–	2,901	(12,299)	–
Total revenue	15,863	104,724	963	2,901	(12,299)	112,152
RESULTS						
Segment (loss)/profit	(40)	8,624	(957)	(5,147)	1,089	3,569
Interest income						291
Unallocated expenses						(1,088)
Profit from operations						2,772
Interest expense						(1,355)
Profit before tax						1,417
Taxation						700
Profit after tax						2,117
OTHER INFORMATION						
Segment assets	16,386	60,636	127	7,484		84,633
Unallocated assets						3,105
Total assets						87,738
Segment liabilities	16,206	45,429	18	9,261		70,914
Unallocated liabilities						439
Total liabilities						71,353
Capital expenditure	167	1,207	319	132	–	1,825
Depreciation and amortisation	174	587	206	309	–	1,276
Property, plant and equipment written off	–	27	–	76	–	103
Provision for doubtful debts written-back	(86)	–	–	–	–	(86)
Provision for doubtful debts	–	280	–	–	–	280

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, receivables and operating cash. Segment liabilities comprise operating liabilities and exclude items such as taxation and ICULS.

Capital expenditure comprise additions to property, plant and equipment (Note 12), intangible assets (Note 13) including those resulting from acquisitions.

statement by directors

pursuant to Section169(15) of the Companies Act, 1965

We, Tan Sri Datuk Adzmi bin Abdul Wahab and Chew Liong Kim, being two of the Directors of Dataprep Holdings Bhd., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 45 to 95 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2008 and of the results and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 29 May 2008.

Tan Sri Datuk Adzmi bin Abdul Wahab
Chairman

Chew Liong Kim
Chief Executive Officer

statutory declaration

pursuant to Section169(16) of the Companies Act, 1965

I, Tan Hock Chye, the Officer primarily responsible for the financial management of Dataprep Holdings Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 45 to 95 are, in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Tan Hock Chye

Subscribed and solemnly declared by the abovenamed,
Tan Hock Chye at Petaling Jaya, Selangor Darul Ehsan
on 29 May 2008.

Before me,

Commissioner for Oaths

report of the auditors to the Members of Dataprep Holdings Bhd

(Incorporated in Malaysia)

We have audited the financial statements set out on pages 45 to 95. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of:

  (i) the financial position of the Group and of the Company as at 31 March 2008 and of the results and the cash flows of the Group and of the Company for the year then ended; and

  (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

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

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

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

Ernst & Young
AF: 0039
Chartered Accountants

Pushpanathan a/l S.A. Kanagarayar
No.1056/03/09(J/PH)
Partner

Kuala Lumpur, Malaysia
29 May 2008

shareholdings statistics

LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 25 JULY 2008

No.	Name	Holdings No.	Holdings %
1	VXL Holdings Sdn Bhd	203,385,046	57.11
2	Seberang Jati Sdn Bhd	17,439,662	4.90
3	Rumpun Damai Sdn Bhd	11,407,460	3.20
4	RHB Nominees (Asing) Sdn Bhd Parco Resources Corp	8,064,800	2.26
5	Amsec Nominees (Asing) Sdn Bhd Vielle International Ltd	7,812,400	2.19
6	RHB Nominees (Asing) Sdn Bhd The Kermartin Group Inc	7,560,800	2.12
7	Cimsec Nominees (Asing) Sdn Bhd Pledged Securities Account for Mauwi Incorporated	7,560,800	2.12
8	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chung Chuan Shen	3,957,000	1.11
9	M & S Food Industries Sdn Bhd	3,167,600	0.89
10	Lau Chow Fow	1,900,000	0.53
11	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chung Chuan Shen	1,843,100	0.52
12	Cimsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Loh Sun Wai (Mutiara Branch)	1,247,862	0.35
13	Chew Liong Kim	1,233,258	0.35
14	Lim Chee Wah	1,062,500	0.30
15	Chong Fu Seong	893,000	0.25
16	Ke-Zan Nominees (Asing) Sdn Bhd Kim Eng Securities Pte. Ltd. For Lee Sai Sing	844,700	0.24
17	Son Kat Pee @ Soin Kat Pee	722,000	0.20
18	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teh Chai Choo (CEB)	635,000	0.18
19	Tan Chee Chin	608,000	0.17
20	Tan Yew Hoo	550,000	0.15
21	Yeo Jui Heok @ Yeo Wei Seng	526,000	0.15
22	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Kok Ping	525,000	0.15
23	HDM Nominees (Tempatan) Sdn Bhd UOB Kay Hian Pte Ltd For Teh Kee Hong	507,500	0.14
24	Mirzan Bin Mahathir	501,000	0.14
25	Wung Neng Liing @ Wung Neng Lung @ Ung Neng Lung	500,000	0.14
26	A.A. Anthony Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Kwee Mooi	400,000	0.11
27	Ho Siong San	385,600	0.11
28	Lee Yun Fong	376,800	0.11
29	HSBC Nominees (Asing) Sdn Bhd Exempt An For Credit Suisse (HK BR-TST-Asing)	340,000	0.10
30	Wan Mansor Bin Wan Ahmad	336,200	0.09

shareholdings statistics (cont'd)

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 25 JULY 2008

Category	No. of Holders	%	No. of Holders	%
Less than 100	73	1.18	2,927	0.00
100 -1,000	1,824	29.51	1,248,112	0.35
1,001-10,000	2,915	47.15	14,377,952	4.04
10,001-100,000	1,241	20.07	38,014,878	10.67
100,001 to less than 5% of issued share	128	2.07	99,119,573	27.83
5% and above of issued share	1	0.02	203,385,046	57.11
TOTAL	6,182	100.00	356,148,488	100.00

LIST OF DIRECTOR'S SHAREHOLDINGS AS AT 25 JULY 2008

Nos	Names	Direct Shareholdings	%	Indirect Shareholdings	%
1	Tan Sri Datuk Adzmi Bin Abdul Wahab (1)	206,900	0.06	–	–
2	Dato' Pian Bin Sukro	–	–	–	–
3	Datuk Lim Chee Wah (2)	1,062,500	0.30	203,385,046	57.11
4	Michael Yee Kim Shing	–	–	–	–
5	Muhammad Fauzi bin Abd Ghani	–	–	–	–
6	Leong How Seong	–	–	–	–
7	Cheam Tat Inn	–	–	–	–

Notes:
1 Share held through Citigroup Nominees (Tempatan) Sdn Bhd
2 Deemed interested via VXL Holdings Sdn Bhd

LIST OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE) AS AT 25 JULY 2008

Nos	Names of Substantial Shareholders	No. of Shares	%
1	VXL Holdings Sdn Bhd	203,385,046	57.11

warrantholdings statistics

LIST OF THIRTY (30) LARGEST WARRANTHOLDERS AS AT 25 JULY 2008

No.	Name	Holdings No.	Holdings %
1	VXL Holdings Sdn Bhd	18,374,402	39.08
2	Seberang Jati Sdn Bhd	2,308,190	4.91
3	Rumpun Damai Sdn Bhd	2,168,700	4.61
4	RHB Nominees (Asing) Sdn Bhd Parco Resources Corp	2,014,950	4.29
5	Amsec Nominees (Asing) Sdn Bhd Vielle International Ltd	1,953,100	4.15
6	RHB Nominees (Asing) Sdn Bhd The Kermartin Group Inc	1,890,200	4.02
7	Cimsec Nominees (Asing) Sdn Bhd Pledged Securities Account for Mauwi Incorporated	1,890,200	4.02
8	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chung Chuan Shen	1,450,000	3.08
9	M & S Food Industries Sdn Bhd	714,900	1.52
10	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chung Chuan Shen	255,775	0.54
11	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Quah Ti Di	200,000	0.43
12	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teng Ai Swen	196,400	0.42
13	Chua Lee Guan	192,400	0.41
14	Chew Liong Kim	178,200	0.38
15	Lim Chee Wah	140,625	0.30
16	Cimsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Loh Suan Wai (Mutiara Branch)	134,916	0.29
17	Wong Seok Hee	129,000	0.27
18	Lee Soh Lay	122,000	0.26
19	Lau Fui Seng	100,000	0.21
20	Lim Phee Lin	100,000	0.21
21	OSK Nominees (Tempatan) Sdn Berhad Pledged Securities Account for Hiew Seek Ling	100,000	0.21
22	Ong Ai Lian	100,000	0.21
23	Lim Choon Leng	95,000	0.20
24	Soh Ah Sin	93,000	0.20
25	Chew Yew Leong	90,000	0.19
26	Chow Yuet Ling	88,400	0.19
27	Abdul Latif Bin Shamsudin	88,000	0.19
28	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lee Ai Lin	85,000	0.18
29	Tan Hock Lee	81,500	0.17
30	Ong Ko Loan	81,000	0.17

warrantholdings statistics (cont'd)

ANALYSIS BY SIZE OF WARRANTHOLDINGS AS AT 25 JULY 2008

Category	No. of Holders	%	No. of Holders	%
Less than 100	152	9.14	6,616	0.01
100 -1,000	580	34.88	259,346	0.55
1,001-10,000	607	36.50	2,857,729	6.08
10,001-100,000	306	18.40	9,574,385	20.37
100,001 to less than 5% of issued share	17	1.02	15,939,156	33.90
5% and above of issued share	1	0.06	18,374,402	39.09
TOTAL	1,663	100.00	47,011,634	100.00

LIST OF DIRECTOR'S WARRANTHOLDINGS AS AT 25 JULY 2008

Nos	Names	Direct Shareholdings	%	Indirect Shareholdings	%
1	Tan Sri Datuk Adzmi Bin Abdul Wahab (1)	39,225	0.08	–	–
2	Dato' Pian Bin Sukro	–	–	–	–
3	Datuk Lim Chee Wah (2)	140,625	0.30	18,374,402	39.08
4	Michael Yee Kim Shing	–	–	–	–
5	Muhammad Fauzi bin Abd Ghani	–	–	–	–
6	Leong How Seong	–	–	–	–
7	Cheam Tat Inn	–	–	–	–

Notes:
1 Share held through Citigroup Nominees (Tempatan) Sdn Bhd
2 Deemed interested via VXL Holdings Sdn Bhd

LIST OF SUBSTANTIAL WARRANTHOLDERS (5% AND ABOVE) AS AT 25 JULY 2008

Nos	Names of Substantial Shareholders	No. of Shares	%
1	VXL Holdings Sdn Bhd	18,374,402	39.08

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proxy form

no. of shares held	

I/We ____

Of ____

Tel No. ______________________________ being a member of **Dataprep Holdings Bhd**

hereby appoint ____

NRIC No: ______________________ of ______________________

Occupation ______________________ or failing whom ______________________

______________________ NRIC No: ______________________

of ______________________ Occupation ______________________

as my/our proxy/representative to vote for me/us and on my/our behalf at the 19th Annual General Meeting of the Company to be held at Tournament Room, Kuala Lumpur Golf & Country Club, No. 10 Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 28 August 2008 at 2.30p.m. and any adjournment thereof, and to vote as indicated below:

	Resolution	For	Against
1	To receive and adopt audited financial statements of the Company for the year ended 31 March 2008 and the Reports of the Directors and Auditors thereon. *(RESOLUTION 1)*		
2	To re-elect the following Directors : 2.1 Encik Muhammad Fauzi bin Abdul Ghani, retires by rotation pursuant to Article 98 of the Company's Articles of Association. *(RESOLUTION 2)*		
	2.2 Mr Leong How Seong retires pursuant to Article 103 of the Company's Articles of Association. *(RESOLUTION 3)*		
	2.3 Mr Cheam Tat Inn retires pursuant to Article 103 of the company's Articles of Association *(RESOLUTION 4)*		
3	To re-appoint Mr Michael Yee Kim Shing who retires pursuant to Section 129 (6) of the Companies Act, 1965 *(RESOLUTION 5)*		
4	To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration. *(RESOLUTION 6)*		
5	Increase of non-executive directors' fees. *(RESOLUTION 7)*		
6	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965. *(RESOLUTION 8)*		
7	Proposed renewal shareholders' mandate for recurrent related party transactions of a revenue or trading nature *(RESOLUTION 9)*		
8	Proposed additional shareholders' mandate for recurrent related party transactions of a revenue or trading nature *(RESOLUTION 10)*		
9	To consider any other business of which due notice shall have been given.		

(Please indicate with an (✗) or (✓) on you wish to cast your vote)

Signed this ______________ day of August 2008 Signature: ______________________

Note:

1. *A proxy need not be a member of the Company.*
2. *For this proxy/certificate of appointment to be valid, it must be lodged at the Registered Office of the Company at Suite 5.02, 5th Floor Wisma Academy, No. 4A Jalan 19/1, 46300 Petaling Jaya, not less than 48 hours before the time appointed for holding the Meeting.*
3. *For corporate members, this certificate appointing the proxy/representative must be executed under the common seal of the corporate.*

stamp

DATAPREP HOLDINGS BERHAD
Suite 5.02, 5th Floor,
Wisma Academy,
No. 4A, Jalan 19/1,
46300 Petaling Jaya,
Selangor Darul Ehsan.

DATAPREP HOLDINGS BHD
(Incorporated in Malaysia)(Company No: 183059-H)

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