Annual Report 2013

DATAPREP
Since 1971

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



Smart Partner

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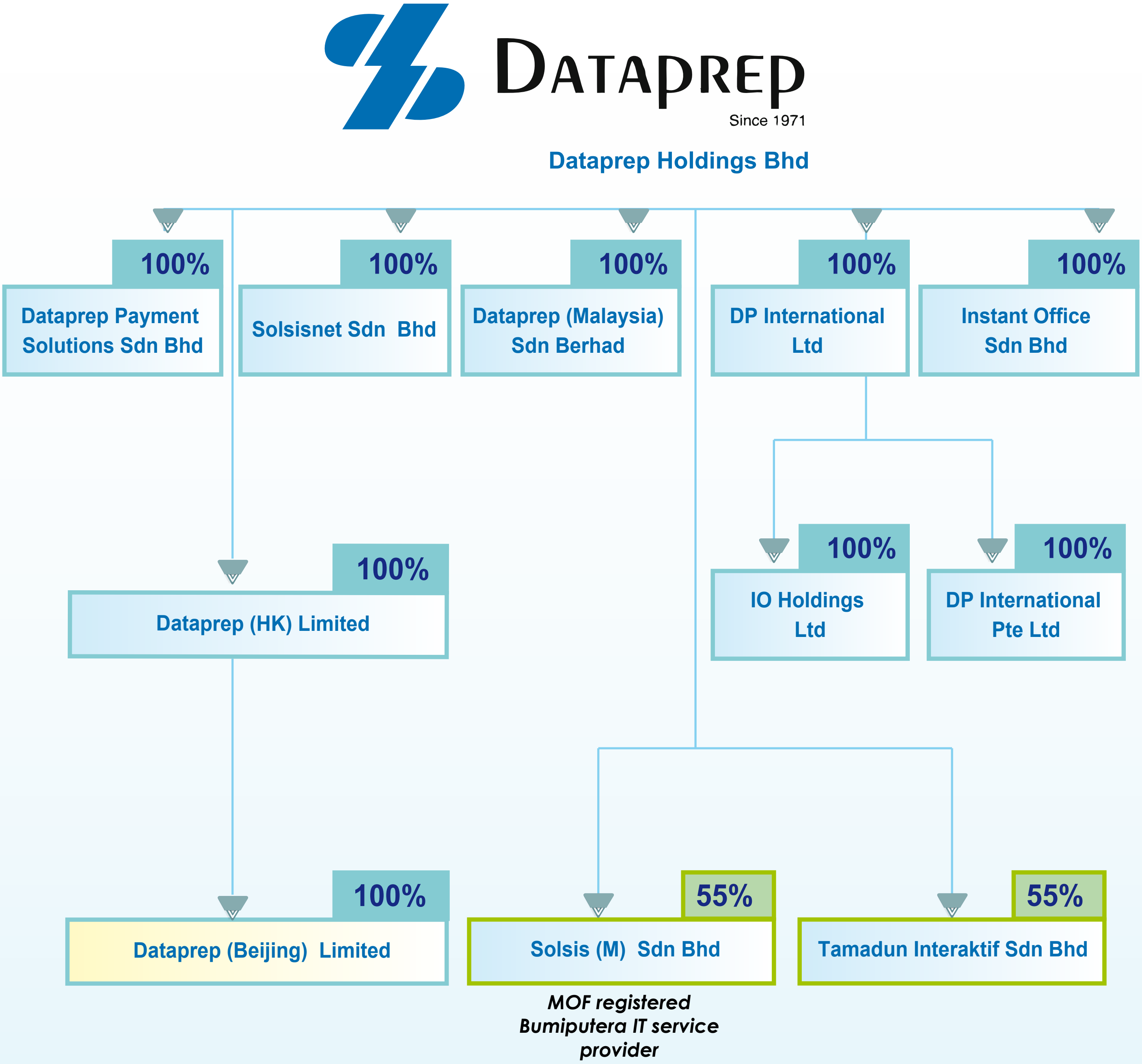
Vision

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

Mission

To build relationships and develop innovative solutions and services which help clients create and realize values

Corporate Structure



Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FOURTH (24TH) ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT GREENS III FUNCTION ROOM, TROPICANA GOLF & COUNTRY RESORT, JALAN KELAB TROPICANA, 47410 PETALING JAYA, SELANGOR DARUL EHSAN ON FRIDAY, 16 AUGUST 2013 AT 10.00 A.M. 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 financial year ended 31 March 2013 and the Reports of the Directors and Auditors thereon. **(Please refer Notes to Notice of 24th AGM No. 1)**

2. To re-elect Encik Muhammad Fauzi bin Abd Ghani who retires by rotation pursuant to Article 98 of the Articles of Association of the Company and being eligible, offers himself for re-election. **(Ordinary Resolution 1)**

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

   3.1 "THAT Tan Sri Datuk Adzmi bin Abdul Wahab who retires pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company". **(Ordinary Resolution 2)**

   3.2 "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 and to hold office until the conclusion of the next Annual General Meeting of the company. **(Ordinary Resolution 3)**

4. To re-appoint Messrs. Folks DFK & Co as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 4)**

AS SPECIAL BUSINESS

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

5. **Authority to issue shares pursuant to section 132D of the Companies Act, 1965** **(Ordinary Resolution 5)**

   "THAT subject always to the Companies Act, 1965 (the Act), the Articles of Association of the Company and the approvals of the relevant Government and/or Regulatory Authorities, pursuant to Section 132D of the Act, 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 (AGM) 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 (10%) of the issued share capital of the Company for the time being AND THAT the Directors be also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad."

6. **Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature** **(Ordinary Resolution 6)**

   "THAT pursuant to paragraph 10.09 of the Main Market 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 24 July 2013, AND THAT such approval conferred by the Shareholders' Mandate shall continue to be in force until:

Notice Of Annual General Meeting
(cont'd)

(a) the conclusion of the next 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; or

(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 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."

7. **Proposed new mandate for additional recurrent related party transaction of a revenue or trading nature** **(Ordinary Resolution 7)**

"THAT pursuant to paragraph 10.09 of the Main Market 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 24 July 2013, AND THAT such approval conferred by the Shareholders' Mandate shall continue to be in force until:

(a) the conclusion of the next 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 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."

Notice Of Annual General Meeting
(cont'd)

8. **Continuation in office as Independent Non-Executive Director pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012** **(Ordinary Resolution 8)**

"THAT approval be and is hereby given to Mr. Michael Yee Kim Shing who has served as an Independent Non-Executive Director of the Company for more than nine years, to continue to act as an Independent Non-Executive Director of the Company".

9. **Continuation in office as Independent Non-Executive Director pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012** **(Ordinary Resolution 9)**

"THAT subject to the passing of Ordinary Resolution 1, approval be and is hereby given to Encik Muhammad Fauzi bin Abd Ghani who has served as an Independent Non-Executive Director of the Company for more than nine years, to continue to act as an Independent Non-Executive Director of the Company".

10. **Proposed Amendments to Articles of Association of the Company** **(Special Resolution 1)**

"THAT the Proposed Amendments to the Articles of Association of the Company (Proposed Amendments) as set out in Appendix 1 attached with the Annual Report 2013 be and are hereby approved and adopted.

AND THAT the Directors and the Secretary of the Company be and are hereby authorised to carry out all the necessary formalities in effecting the Proposed Amendments to the Articles of Association of the Company."

11. To consider any other business which may be properly transacted at an Annual General Meeting of which due notice shall have been given.

BY ORDER OF THE BOARD

LEE YOONG SHYUAN (MAICSA 7064817)
WONG CHOONG MING (MIA 8855)
Company Secretaries

Date: 24 July 2013

Petaling Jaya

Notice Of Annual General Meeting
(cont'd)

Notes:

1. This Agenda item is meant for discussion only, as the provision of Section 169(1) of the Act does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. A member entitled to attend and vote at this meeting is entitled to appoint at least one (1) proxy to attend and vote instead of him. A proxy may but need not be a member of the Company. The instrument appointing a proxy must be deposited at the registered office of the Company 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 or adjourned meeting.

Explanatory Notes to Special Business

Item 5 (Ordinary Resolution 5)

The proposed Ordinary Resolution 5, if passed, will allow the Company to procure the renewal of the general mandate which will give authority to the Directors of the Company, from the date of the above AGM, to issue and allot shares in the Company up to and not exceeding in total ten per cent (10%) of the issued and paid-up share capital of the Company for the time being, for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

This general mandate will provide flexibility to the Directors to undertake any possible fund raising activities, including but not limited to further placing of shares for purpose of funding current and/or future investment project(s), working capital and/or acquisitions. This would avoid any delay and cost involved in convening a general meeting to specifically approve such an issue of shares.

As at the date of this notice, no new shares in the company were issued pursuant to the mandate granted to the Directors at the last AGM held on 28 August 2012 and which will lapse at the conclusion of this AGM.

Items 6 and 7 (Ordinary Resolutions 6 and 7)

The proposed Ordinary Resolutions 6 and 7, if passed, will empower the Directors of the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature with the Mandated Related Parties. This authority, unless revoked or varied at a general meeting, will expire at the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

Items 8 and 9 (Ordinary Resolutions 8 and 9)

For proposed Ordinary Resolutions 8 and 9, the Remuneration, Quality & Nominating (RQN) Committee has assessed the independence of both Independent Non-Executive Directors who have served for more than nine (9) years and recommended to the Board that they continue to act as Independent Non-Executive Directors of the Company to which, the Board agreed based on the following justifications :-

a) They fulfil the criteria under the definition of Independent Director in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
b) Their long tenures with the Company have neither impaired nor compromised their independent judgment. They continue to demonstrate the ability to ask hard questions and remain objective in their views for the benefit of the Group;
c) The RQN Committee and the Board are confident and firmly believe that they can be tasked to discharge their duties and responsibilities independently and objectively notwithstanding their tenure on the Board;
d) They have been with the Company for more than nine years and therefore understand the Company's business operations extensively, enabling them to participate actively and contribute positively during deliberations or discussions at Board Meetings.
e) They have contributed sufficient time and effort and attended all the Committee and Board meetings for informal and balanced decision-making.
f) They have the calibre, qualifications, experiences and personal qualities to consistently challenge management in an effective and constructive manner.
g) They monitor and provide objective views on the performance of executive directors and management in meeting the agreed goals and objectives.

Item 10 (Special Resolution)

The Proposed Amendments to the Articles of Association of the Company are in line with the amendments to Chapter 7 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Notice Of Annual General Meeting
(cont'd)

Appendix 1

Proposed Amendments

The existing Articles are proposed to be amended by the alterations, modifications, deletions and/or additions, wherever necessary, whereby the affected existing Articles are reproduced here with the Proposed Amendments, in bold, alongside it, as follows :-

Articles No.	Existing article	Proposed Amended Articles
2	New Definition	**Exempt Authorised Nominee** - **an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act**
53	Every notice of meeting shall specify the place; the day and the hour of meeting, and in the case of special business shall also specify the general nature of such business and shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Every notice of meeting shall state with reasonable prominence that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him and that a proxy need not be a member and shall also specify the place at which the instrument of proxy is to be deposited	Every notice of meeting shall specify the place; the day and the hour of meeting, and in the case of special business shall also specify the general nature of such business and shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Every notice of meeting shall state with reasonable prominence that a member **who is not an Exempt Authorised Nominee** entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him and that a proxy **may, but** need not be a member and shall also specify the place at which the instrument of proxy is to be deposited **There shall be no restriction as to the qualification of the proxy**

Notice Of Annual General Meeting
(cont'd)

Articles No.	Existing article	Proposed Amended Articles
73	The instrument appointing a proxy shall be in writing signed by the appointor or attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or singed by an officer or attorney so authorised. A proxy may, but need not, be a member of Company. A member entitled to attend and vote is entitled to appoint at least one (1) proxy to attend and vote instead of him and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. Where a member of the company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.	The instrument appointing a proxy shall be in writing signed by the appointor or attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or singed by an officer or attorney so authorised. A proxy may, but need not, be a member of Company. A member entitled to attend and vote is entitled to appoint at least one (1) proxy to attend and vote instead of him and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. ~~Where a member of the company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.~~ **A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting. Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds**

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)*
Muhammad Fauzi Bin Abd Ghani *(Independent Non-Executive Director)*
Michael Yee Kim Shing *(Independent Non-Executive Director)*
Ahmad Rizan bin Ibrahim *(Executive Director / Chief Executive Officer)*

COMPANY SECRETARIES

Lee Yoong Shyuan (MAICSA 7064817)
Wong Choong Ming (MIA 8855)

AUDIT COMMITTEE

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

Members
Tan Sri Datuk Adzmi Bin Abdul Wahab
(Independent Non-Executive Director)

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

REMUNERATION, QUALITY AND NOMINATING COMMITTEE

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

Members
Tan Sri Datuk Adzmi Bin Abdul Wahab
(Independent Non-Executive Director)

Michael Yee Kim Shing
(Independent Non-Executive Director)

MANAGEMENT TEAM

Chief Executive Officer
Ahmad Rizan bin Ibrahim

Chief Operating Officer
Tan Hock Chye

Senior Vice President
Poh Eng Soon

Head, Client & Market Engagement
Nik Hisham Bin Nik ibrahim

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House,
Pusat Dagangan Dana 1,
Jalan PJU 1A/46,
47301 Petaling Jaya.
Telephone : (603) 7841 8000
Facsimile : (603) 7841 8151

PRINCIPAL BANKERS

Malayan Banking Berhad
Public Bank Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad

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

AUDITORS
Messrs. Folks DFK & Co

WEBSITE
www.dp.com.my

Our Solutions & Services

Enterprise Content Management System	Providing solutions in the area of Enterprise Content Management (ECM) encompassing document management, web content management, records management, document imaging and workflow. Content management systems are deployed primarily for interactive use by a potentially large number of contributors.
Enterprise Servers & Storage Consolidation and Virtualization	Providing solutions to optimize the total number of physical or logical components of servers and storage in an IT environment, thereby simplifying IT infrastructure and improving manageability – ultimately reducing the Total Cost of Ownership.
Cloud Computing Enablement	Providing consultation and deployment of Cloud Computing infrastructure and services. Cloud Computing can offer greater levels of automation, reduced operating costs, improved application performance and better utilisation of computing resources. Cloud Services include consumer and business products, services and solutions that are delivered and consumed in real-time over the Internet. It enhances business performance for a sound return of investments.
Data Centre	Providing solutions for customers seeking to design and build secure, resilient and redundant facilities to house mission-critical equipment. The solution covers connectivity services, data and network security, raised flooring, precision cooling, uninterruptible power supply, structured cabling, and protection against fire and water leakage, with electrical and mechanical systems engineered with multiple levels of redundancy, and 24 x 7 centralized environmental monitoring.
Network Integration	Providing solutions to design upgrade and expand the communication & Ethernet networks. The solution helps to consolidate and optimize IT resources, improving clients' business productivity by providing high availability, resilient and optimally performing network infrastructure.
IT Security Solutions	Providing solutions for customers seeking simple, cost effective, practical multi-layer or defence-in-depth approach to security. The solution provides an end-to-end security capability that meets clients' business and regulatory requirements while securing IT and data assets, thus minimizing security risks.
Product Lifecycle Management (PLCM)	Providing solutions for customers seeking turnkey solutions to finance, provide, deploy, manage and maintain common IT equipment and infrastructure during its lifecycle or its agreed contract tenure. Maintenance coverage includes corrective, preventive and predictive maintenance.
Customer Premise Equipment (CPE)	Providing solutions for customers seeking cost-effective, reliable and high performance routers for TM Internet and WAN links.
Service Management	Providing solutions to address a complete service lifecycle which will enable companies to manage staff and inventory more efficiently while providing higher level of services to customers. It provides a single, unified view of all service transactions and provides companies a wealth of decision support tools to continuously refine the quality of service process.

Our Solutions & Services
(cont'd)

IT Help Desk	Providing a completely web-based, ITIL-compliant IT Help Desk solution which offers an integrated package with request management (trouble ticketing), asset tracking, purchasing, contract management, self-service portal and knowledge base. The solution enables clients to have a full-fledged IT help desk and a set of productive help desk staff.
Multi Vendor Support	Organisations typically select and procure a combination of hardware and software platforms and applications. Our multi-vendor support addresses the needs of such organisations requiring a single service provider to support such a complex environment by providing a flexible, end-to-end service which is measured by service levels and is available all over Malaysia.
IT Outsourcing Services	With our in-depth experience in managing IT infrastructure, we help our clients to focus on businesses by working behind the scenes to manage their IT infrastructure efficiently and seamlessly. By applying ITIL best practices and quality management system in our processes, service performance and quality are consistently maintained.
IP Virtual Private Network (IPVPN)	Organisations needing to connect their offices nationwide do not have to invest in their own expensive network infrastructure. Our IPVPN services allow our customers to have a virtual private network spanning the whole country that is both secure and resilient.
Payment Solutions & Services (PSS)	PSS focuses on payment devices which include the supply and maintenance of POS (point of sale) and EDC (electronic draft capture) terminals that support credit/debit cards, as well as other multi-purpose cards. PSS also provides other related offerings such as Hardware Solutions, Software Solutions, Merchant Acquisition Services and Terminal Maintenance Services.

Our Solutions & Services
(cont'd)

SUPPORT INFRASTRUCTURE

Apart from its 41 years of proven group-wide accumulated IT experience and professional staff with proven capabilities in implementing large scaled ICT projects, Dataprep Group is fully equipped to provide the necessary support and back-up tools for its clients. With 24 locations nationwide to provide a support network, Dataprep Group's call centre offers 24-hour service, 7 days a week. The 24 locations nationwide offer operational and maintenance services.

Headquarters
- Petaling Jaya

Northern Region
- Langkawi
- Alor Setar
- Gelugor (Bayan Lepas)
- Prai
- Ipoh

Southern Region
- Seremban
- Melaka
- Kluang
- Johor Bahru

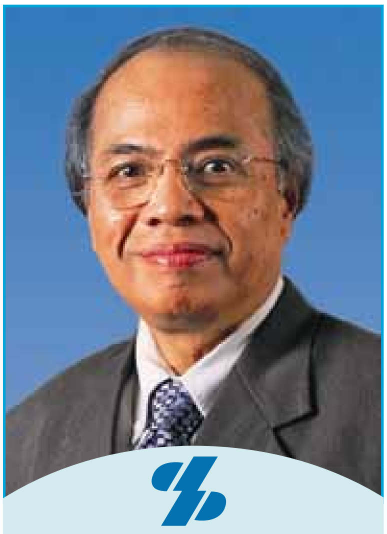
Eastern Region
- Kota Bharu
- Kuala Terengganu
- Cukai Kemaman
- Kuantan
- Temerloh

Sabah
- Kota Kinabalu
- Sandakan
- Tawau
- Lahad Datu

Sarawak
- Miri
- Bintulu
- Sibu
- Kuching

Wilayah Persekutuan
- Labuan

Profile of Directors



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

Tan Sri Datuk Adzmi bin Abdul Wahab, a Malaysian, aged 70, was appointed to the Board on 29 August 2006. He is also chairman and director of a number of companies involved in property development, construction and information technologies 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.

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 areas of 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) and Regional Planning in Klang Valley Planning Secretariat (Prime Minister's Department).

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

He served PROTON from 1985 to 1992 with his last position as Director/Corporate General Manager, Administration and Finance Division.

He is presently a member of the Audit Committee and the Remuneration, Quality & Nominating Committee.

He has attended all four (4) Board Meetings held during the financial year ended 31 March 2013.

He has direct shareholdings of 203,125 ordinary shares in the company.

He also sits on the Board of Magna Prima Berhad, Lebtech Berhad and Grand-Flo Solution Berhad.

He has no family relationship with any director and/or major shareholders, or any conflict of interest in the business arrangement involving the company.

He has not been convicted of any offence within the past ten (10) years.

Profile of Directors
(cont'd)

Datuk Lim Chee Wah
Non-Independent Non-Executive Director

Datuk Lim Chee Wah, a Malaysian, aged 59, 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 attended two (2) meetings out of the total of four (4) Board Meetings held during the financial year ended 31 March 2013.

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

Except for certain recurrent related party transactions of a revenue nature which are necessary for the 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 ten (10) years.

Profile of Directors
(cont'd)

Muhammad Fauzi Bin Abd Ghani
Independent Non-Executive Director

Encik Muhammad Fauzi Bin Abd. Ghani, a Malaysian, aged 51, 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 University Teknologi Mara (UiTM). 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 forged 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 25 years. He was the Chief Financial Officer of Titan Chemical Corp Berhad for the period 2004 to 2008 and the Senior Vice President of Business Development of Felda Global Ventures Holdings Berhad from 2008 to 2013.

He is presently the Chairman of the Remuneration, Quality & Nominating Committee and also sits on the Audit Committee.

He has attended three (3) meetings out of the total of four (4) Board Meetings held during the financial year ended 31 March 2013.

He has no shareholdings in the Company.

He does not have any family relationship with any director and/or major shareholders, nor any conflict of interest in business arrangements involving the Company.

He has not been convicted of any offence within the past ten (10) years.

Profile of Directors
(cont'd)

Michael Yee Kim Shing
Independent Non-Executive Director

Mr Michael Yee Kim Shing, a Malaysian aged 75, 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 Accountants 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, Pacific & Orient Insurance Berhad and Datasonic Group Bhd, where he is also the Chairman of the Audit Committee for those respective companies.

He has attended all four (4) Board Meetings held during the financial year ended 31 March 2013.

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 ten (10) years.

Profile of Directors
(cont'd)

Ahmad Rizan Bin Ibrahim
Executive Director / Chief Executive Officer

Encik Ahmad Rizan Bin Ibrahim, a Malaysian, aged 50 was appointed to the Board on 16 June 2011 as Executive Director / Chief Executive Officer. He holds two Bachelor of Science degrees in Computer Science and Management Science, and a Master of Computer Science and MBA from Oregon State University, Corvalli, Oregon.

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

He has over twenty five (25) 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.

He is also the Managing Director of Solsisnet Sdn Bhd and Solsis (M) Sdn Bhd.

He has attended all four (4) Board Meetings held during the financial year ended 31 March 2013.

He has direct shareholdings of 17,831 ordinary shares in the Company. In addition, he holds 2,538,000 ordinary shares (15%) in Solsis (M) Sdn Bhd, a 55% owned subsidiary of the Company.

He does not have any family relationship with any director and/or major shareholders, nor any conflict of interest in business arrangements involving the Company.

He has not been convicted of any offence within the past ten (10) years.

Management Team Profile

Tan Hock Chye
Chief Operating Officer / Head of Payment Solutions & Services

Tan Hock Chye, a Malaysian, aged 53, 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 a high level of financial and organization skills with over 30 years' 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. Prior to his current position, he had previously held other senior management positions in multinational and public companies.

Poh Eng Soon
Senior Vice President

Poh Eng Soon, a Malaysian, aged 50. He holds a Bachelor of Science Degree in Computer Science and Management from University Sains Malaysia.

He has more than 22 years of experience in IT and he specializes in services delivery, systems integration, selling outsourced solutions and managed services to SMEs and large corporations across multi industries including FSI, Healthcare, Education, Transport and Logistics, Telco, Manufacturing and Government sectors.

He has been managing P&L and heading in-country operations for the last 10 years. His career experience includes MNCs as well as locally incorporated companies. He has an excellent performance track record and has received numerous awards and recognition for those achievements.

He is currently responsible for a team of solution architects that designs and builds solutions to meet customer requirements.

Nik Hisham Bin Nik Ibrahim
Head of Client & Market Engagement

Nik Hisham, a Malaysian, aged 42. He holds a Bachelor of Science Degree in Computer Science from the University of Kentucky at Lexington, Kentucky in the U.S.A.

He has over 18 years of experience in the Information Technology industry. He started his career in the workforce in 1994 briefly with Malayan Banking Berhad and subsequently moved to Mesiniaga that same year, where he gained exposure in services delivery, customer support and systems integration. He headed the Enterprise Server and Storage Solutions business from year 2000 to 2006, a business unit that contributed to more than a third of Mesiniaga's annual revenue. Towards the end of his tenure in Mesiniaga, Nik also headed the Technology Research & Innovation unit and later the Software Infrastructure Services business before he left for Accenture in early 2011 where he engaged in management consulting for the Public Transport space.

He is currently the Head of Client & Market Engagement and has been holding this position since March 1, 2012.

Chairman's Statement

"On behalf of the Board of Directors, I am pleased to present the Dataprep Group's 24th Annual Report together with the Audited Financial Statements for the year ended 31st March 2013"

Overview

The year 2012 had been a challenging year for the Malaysian Information & Communications Technology (ICT) industry, due to the economic slowdown in Europe and financial challenges in the US. Fortunately, the impact was moderated by the Malaysia's ICT exports to other emerging markets, e.g. China, Vietnam, Indonesia and other ASEAN countries. ICT spending in these markets has been encouraging, as commercial entities embrace technology to improve their efficiencies and reduce overheads.

The ICT industry is anticipating better prospects in 2013 in view of expectations of a strengthening economy and domestic consumption. Various government initiatives such as the communications and content infrastructure focus under the economic transformation programme and Digital Malaysia augur well for the industry.

The roll-out of the 4G long-term evolution (LTE) network will increase not only internet speed, but also data traffic, accessibility and availability of the internet to more businesses and consumers. The 4G LTE, together with the increasing adoption of smartphones and tablets, will stimulate demand for ICT products and services.

The constantly evolving ICT landscape will provide the Group various business opportunities to market its diverse range of ICT offerings in the year ahead.

Financial Review

For the financial year ended 31 March 2013, the Group's revenue was RM53 million, a decrease of 11% compared to a revenue of RM60 million in the previous year. The lower revenue in the current financial year was due to reduced contribution from a major project and lower sales secured for the year under review in view of intense competition in the market place.

The Group recorded a loss before tax of RM4.9 million for the current financial year similar to that in the previous financial year.

The performance of the Group's two business segments for the current financial year compared to the previous year is summarised as follows:

IT related products and services

Revenue decreased to RM51.81 million in the current financial year from RM57.91 million in the previous year mainly due to reduced contribution from a major project and lower sales secured for the year under review in view of intense competition in the market place

Chairman's Statement
(cont'd)

Payment Solutions and Services

Revenue fell to RM1.82 million in the current financial year from RM2.62 million in the previous financial year. The lesser revenue was mainly due to lower terminal rental income as a consequence of higher attrition rate and reduced discount fee from merchants.

Operations Review

The Group's results were affected by intense competition in the market and lower margin, which saw the group's revenue base being eroded. Revenue was insufficient to support its operational requirements, resulting in deficit financial performance.

To address this, the Group underwent several revamping exercises to streamline its operations and these include organisational restructuring, cost cutting measures, new strategic alliances, and exploring ICT in new industries and territories.

The Group is in negotiations to undertake various local projects from the government and private sectors. The Group also has several overseas projects in the pipeline, in countries such as Indonesia, China, Cambodia and Vietnam.

Prospects

Initiatives by the government to develop the ICT industry as well as greater adoption of technology among businesses and individuals offer encouraging prospects. However, the outlook for the year ahead continues to be challenging in view of intense competition among ICT providers.

Our strategy is to strive harder and emerge as a stronger business entity. The Group's main focus is to seek new revenue streams while improving its core businesses of Technology & Solution Integration, Managed Services and Payment Solutions & Services.

The Group is mindful of the challenges ahead and is working conscientiously to improve its performance. The Group is targeting to break even in the next financial year.

Acknowledgements

I would like to record my deepest appreciation to my fellow Board members for their invaluable service. On behalf of the Board, I would like to take this opportunity to thank our valued shareholders, business partners, customers, management and staff for their continuous support to the Group.

Tan Sri Datuk Adzmi bin Abdul Wahab
Chairman

August 2013

Statement On Risk Management and Internal Control

INTRODUCTION

The Malaysian Code of Corporate Governance 2012 stipulates that the Board of Directors of public listed companies should establish a sound risk management framework and internal control system to safeguard shareholders' investments and the company's assets. The Board of Directors is pleased to provide the following Statement On Risk Management & Internal Control made in compliance with paragraph 15.26(b) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (BMSB) and the Statement On Risk Management & Internal Control - Guidelines for Directors of Listed Issuers.

RESPONSIBILITY

The Board places importance on, and is committed to maintaining a sound risk management framework and internal control system in the Group to ensure good corporate governance. The Board affirms its responsibility for reviewing the adequacy and effectiveness of the Group's corporate governance, risk management and internal control system. The Group's internal control system covers, inter alia, financial, business, operational and compliance controls and helps to ensure compliance with applicable laws, regulations, rules, policies and guidelines.

Management assists the Board in the implementation of the Board's policies and procedures on corporate governance, risk management and internal control by identifying and addressing the risks faced, and implementing appropriate risk management processes and internal controls to mitigate and control these risks.

Due to limitations that are inherent in any internal control system, the system adopted by the Group is designed to manage rather than to eliminate the risk of failure to achieve business objectives. The internal control system can only provide reasonable but not absolute assurance against any material misstatement or loss.

The Board has received assurance from the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) that, in the course of their management of day-to-day operations of the Group, nothing has come to their attention which indicates that the risk management and internal control system is not operating effectively in all material aspects.

RISK MANAGEMENT

In dealing with its stewardship responsibilities, the Board recognises that effective risk management is part of good business management practice. The Group has a risk management framework to govern its risk management initiatives.

The Board entrusts the Risk Management Committee (RMC) with the overall responsibility for overseeing the risk management processes of the Group. The RMC currently comprises senior management staff of the Group.

The RMC delegates to the Risk Review Working Committee (RRWC) the responsibility for ensuring effective implementation of the risk management processes stipulated in the framework. The RRWC comprises of business unit heads and a coordinator.

The RMC and RRWC are guided by terms of reference approved by the Board.

The RRWC held several meetings during the financial year to initiate the risk management processes including identification and documentation of risks, risk ratings and risk mitigation plans. The RRWC had briefed the RMC on its risk management activities including risk documentation.

The Group's risk management processes are constantly being reviewed to make them more adequate and effective in line with the Risk Management Framework. The RMC periodically reports to the Board on the risk management activities being undertaken.

Statement On Risk Management and Internal Control (cont'd)

INTERNAL CONTROL PROCESSES

The Board is committed to maintaining a strong control structure and environment for the proper conduct of the Group's business operations. The Board has the following internal control processes in place:

- A formal organisational structure with delineated lines of authority, responsibility and accountability within the Group. A process of hierarchical reporting has been established which provides for a documented and auditable trail of accountability.

- There are policies and procedures for recruitment, performance appraisal and promotion to ensure that suitably qualified and competent personnel are hired and retained. The Group Human Resource Unit assumes the responsibility for developing the employees with the relevant and appropriate skills.

- Group vision, mission and strategic direction are communicated to employees at all levels. The intranet is used as an effective means of communication and knowledge sharing at all levels.

- In most of the Group's business operations, periodic meetings are held to ensure that progress of business plans, exceptions and variations are fully discussed and appropriate actions are taken. This ensures that business objectives are met. Adequate reports / meeting minutes are generated for reviews on various business / operating units of the Group.

- The Board oversees the conduct of the Group's operations through various management reporting channels. Proper records are maintained, and the Board is informed of all major issues pertaining to financial and operational matters, internal control, regulatory compliance and risk management processes to ensure that it maintains full and effective supervision.

- The Group performs a comprehensive annual budgeting and forecasting exercise at the beginning of the financial year. Comprehensive management reports and accounts are prepared on a monthly basis for review by the senior management for effective monitoring and decision-making. Such management reports and accounts are also submitted on a quarterly basis to the Audit Committee / Board for review. The Group also operates a comprehensive automated information system that provides for transactions to be captured, compiled and reported. Management also uses the data and analysis provided by this automated information system to monitor their performance.

MONITORING AND REVIEW

The Board delegates the day-to-day functions to the CEO, who is aided by a team of corporate officers to assist in the carrying out of his duties. Part of his role is to drive each of the business operations in a manner that ensures the integrity of the internal control system and effective risk management processes are in place throughout the year.

From a process viewpoint, the CEO presides over regular management meetings in each of the business operations. These meetings review financial performance, business issues and other related matters 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 system is functioning as intended. The Audit Committee receives feedback from the head of internal audit on the adequacy and effectiveness of internal control every quarter. The head of internal audit has the relevant qualification and is responsible for providing assurance to the Audit Committee / Board that internal controls are operating effectively. The internal auditors carry out their functions according to the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, USA. The internal auditors conduct reviews and appraisals of the adequacy and effectiveness of the internal control processes within the Group. Reports of deficiencies together with recommendations as appropriate are tabled at Audit Committee meetings which are held at least once in every quarter.

Statement On Risk Management and Internal Control (cont'd)

These, together with the external auditors' findings arising from the audit of the statutory financial statements, provide further assurance of the adequacy and effectiveness of the internal control system. In addition, as part of the requirements of the ISO 9001/2008 certification accredited to one subsidiary, scheduled audits are conducted internally as well as by the SIRIM auditors on the subsidiary.

Control deficiencies and issues highlighted are addressed or rectified by management. There were no control deficiencies noted during the financial year under review with material impact on the Group's financial performance, operations, and reliability and integrity of financial information.

CONCLUSION

The Board is of the view that the risk management and internal control system described in this statement is considered appropriate to the business operations. Also, 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 risk management and internal control system that existed throughout the year provides a level of confidence on which the Board relies for assurance.

This statement is made in accordance with the minutes of the Board of Directors dated 31 May 2013 and has been duly reviewed by the external auditors, pursuant to paragraph 15.23 of the MMLR of BMSB.

Statement On Corporate Governance

The Board of Directors recognises the importance of practising acceptable standards of Corporate Governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance and position of the Company and of the Group. With this in mind, measures and efforts have been and shall be taken to ensure, as far as practicable, the adoption and implementation of the Principles set out in the Malaysian Code on Corporate Governance ("the Code") and in the MMLR of BMSB.

Set out below is a description of how the Group has applied the Principles of the Code and how the Board of Directors has complied with the Code throughout the financial year ended 31 March 2013.

BOARD OF DIRECTORS

Size and Composition of the board

An experienced and effective Board consisting of members with a wide range of skills and experience from the financial and business backgrounds leads and controls the Group.

The Board continues to give due consideration to its size, composition and spread of experience and expertise. No individual or group of individuals dominates the Board's decision-making. The Board has an appropriate number of Directors in terms of the complexity and size of the Group. This is to ensure that issues of strategy, performance and resources are fully discussed and examined to take into account the long-term interest(s) of shareholders and stakeholders of the Group.

The current Board has five (5) members comprising one (1) Non-Independent Non-Executive Director, three (3) Independent Non-Executive Directors and one (1) Executive Director / CEO.

The composition of the Board is in compliance with Paragraph 15.02 of the MMLR of BMSB which requires that at least 2 directors or 1/3 of the Board of Directors, whichever is the higher, to be independent.

The Directors contribute greatly to the Company through their business acumen, wide range of knowledge and skills from their vast experiences. They 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 Profile of Directors section. The composition and combination of different skills ensure an effective Board decision-making process and enable the Board to efficiently lead and control the Group.

Duties and Responsibilities of the Board

The responsibilities of the Board include setting the strategies, performance standards and resources with set budgets, targets, and succession plans for the Group, overseeing the conduct of the business to ensure that the business is properly managed, and reviewing the adequacy and integrity of the management information and internal control system of the Group.

Board Balance and Independence of Directors

The Board members have a wealth of experience as well as skills and knowledge which are relevant to the Group. Although the Chairman has some influence over the role of the CEO and the strategic business direction of the Group, the roles of the Chairman and CEO are separate with clearly defined responsibilities to ensure the balance of power and authority. The Chairman is primarily responsible for the orderly conduct and working of the Board while the CEO is responsible for the overall operations of the business and the implementation of Board strategies.

All the Independent Non-Executive Directors are independent of Management and are free from any business or other relationships that could materially interfere with the exercise of their independent judgment. They have the calibre to ensure that the strategies proposed by the Management are fully deliberated and examined in the long-term interests of the Group, as well as shareholders and stakeholders, employees and customers.

Statement On Corporate Governance
(cont'd)

One of the recommendations of the Code states that the tenure of independent directors should not exceed a cumulative term of nine years. Upon completion of the nine years, independent directors may continue to serve on the Board subject to the directors' re-designation as non-independent directors. However, the Board may seek shareholders' approval to retain them as independent directors in the next Annual General Meeting if the Board is satisfied, after assessment and upon recommendations of the Remuneration, Quality & Nominating Committee ("RQN") supported by personal declarations of independence of the concerned directors, that they continue to bring independent and objective judgement to the Board and that they can be tasked to discharge their duties and responsibilities independently notwithstanding their tenure on the Board.

The RQN and the Board have upon their annual assessment, concluded that Mr Michael Yee Kim Shing and Encik Muhammad Fauzi bin Abd Ghani continue to demonstrate conduct and behaviour that are essential indicators of independence, and that each of them continues to fulfil the definition of independence as set out in the MMLR. The length of their service on the Board does not in any way interfere with their exercise of independent judgement and ability to act in the best interests of the Group.

Board Gender Diversity Policy

The Board acknowledges the importance of board diversity, including gender diversity, to the effective functioning of the Board. Female representation will be considered when vacancies arise and suitable candidates are identified, underpinned by the overriding primary aim of selecting the best candidate to support the achievement of the Group's strategic objectives.

Board Meetings

There were 4 Board meetings held in Financial Year 2013. In Financial Year 2013, the members of the Board, together with their attendance at Board meetings are stated as follows:

Name of Directors	Attendance	Percentage
Tan Sri Datuk Adzmi bin Abdul Wahab	4 / 4	100
Datuk Lim Chee Wah	2 / 4	50
Encik Muhammad Fauzi bin Abd Ghani	3 / 4	75
Mr Michael Yee Kim Shing	4 / 4	100
Encik Ahmad Rizan bin Ibrahim	4 / 4	100

Supply of Information

All Directors were provided with the agenda and relevant Board papers prior to every Board meeting. The Board papers include a comprehensive write-up on the latest status of the Group's finance, operations and administrative matters, and any significant changes in the key business strategies of operating units. All matters requiring Board approval are also circulated prior to the Board meeting. During Board meetings, the Directors debate issues openly and constructively and were committed to the collective decision-making processes. The Directors also have direct access to the advice and services of the Company Secretaries whenever required. In furtherance of its duties, the Board may also seek external professional advice whenever deemed necessary.

Board Committees

The following Board Committees have been established to assist the Board in the execution of its duties. The terms of reference for these committees have been approved by the Board.

Remuneration, Quality & Nominating (RQN) Committee

The RQN Committee was established in 2003 and comprises exclusively of independent non-executive directors.

The RQN Committee comprises of Encik Muhammad Fauzi Bin Abd Ghani (Chairman), Tan Sri Datuk Adzmi bin Abdul Wahab and Mr Michael Yee Kim Shing.

Statement On Corporate Governance
(cont'd)

The principal roles of the RQN Committee are, inter-alia, as follows:

(i) To review and recommend to the Board for approval, the remuneration packages of the Executive Director / CEO and Chief Operating Officer.

(ii) To review the remuneration packages of the Senior Leadership Team.

(iii) To review and recommend to the Board for approval, the policy and framework for the Performance-Linked Compensation (PLC) Scheme.

(iv) To review and recommend to the Board, the appointment of new directors and to assess the performance of Directors on an on-going basis.

(v) To review and recommend to the Board, the appointment of new Executive Director / CEO and Chief Operating Officer.

The RQN meets as and when necessary and can also make decisions by way of circular resolutions.

Risk Management Committee (RMC)

The RMC was established during the financial year 2011 and the Enterprise Risk Management Framework ("ERM") had been formalised by the Board with the aim of providing a consistent approach to risks and facilitating a reasonably accurate perception of acceptable risks to all employees. This risk management framework had been prepared to ensure that risk management is a concern of every staff in the Group and that risk management practices are consistent across the corporation, involving employees at all levels within the different business units (i.e. departments, sections, branches and business centres) of the Group. The RMC mainly comprises of the Senior Leadership Team members.

The Board entrusts the RMC with the overall responsibility for overseeing the risk management activities of the Group and approving appropriate risk management procedures and measurement methodologies across the organisation. The primary roles of the RMC include the following:

(a) To promote the ERM and to ensure that risk management is practised throughout the Group.

(b) To provide update the Board on key risk management issues as well as any ad hoc reporting and evaluation of project risks.

(c) To work with the Finance & Accounts and Internal Audit Departments in the preparation of the Statement on Risk Management and Internal Control for inclusion in the company's Annual Report and to recommend the same for approval by the Audit Committee and the Board.

The Group's risk management processes are constantly being reviewed to make them more adequate and effective in line with the Risk Management Framework. The RMC periodically reports to the Board on the risk management activities being undertaken.

Audit Committee

The Audit Committee is designed to assist the Board and Directors to discharge their duties regarding:

- reported financial information
- internal controls; and
- corporate codes of conduct

The role of the Audit Committee includes overseeing the financial reporting process, improving the quality of financial reporting, and reviewing the scope and results of the external and internal auditing processes. The Audit Committee is effectively the 'eyes and ears' of the Board, and has the responsibility of ensuring that the Board makes properly informed decisions regarding accounting policies, practices and disclosure.

Statement On Corporate Governance
(cont'd)

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 system. They adopt a risk-based approach when carrying out their audits. The findings are properly documented and presented to the Audit Committee, with copies to the parties concerned, so that timely corrective measures can be taken.

The AC also recommends the nomination and appointment of the external auditors as well as the audit fees.

Re-election of Directors

All Directors will retire at regular intervals by rotation at least once every three years and they shall be eligible for re-election. Pursuant to Section 129(6) of the Companies Act, 1965, a director who is over 70 years of age is required to retire annually at the general meeting of the Company, and be eligible for re-appointment by shareholders of the Company. Disclosure on a director seeking re-appointment under this Section 129(6) at the annual general meeting is shown in the Notice of Annual General Meeting in this annual report.

Directors' Training

All directors have attended and successfully completed the Mandatory Accreditation Programme accredited by Bursa Securities. In addition, seminars and conferences organised 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 enrol the Directors for the training programmes, as and when required. Directors may also request to attend additional training to keep abreast on their individual requirements.

The Directors are also updated by the Company Secretaries on any changes to legal and governance practices of the Group and which affect themselves as Directors at every Audit Committee and Board meeting.

The training programmes attended by some of the Directors during the year, include the following:

1. Malaysian Code on Corporate Governance 2012 - Adopt or don't adopt?" on 03/10/12.
2. Government Grants and Financial Assistance for Malaysian Companies on 09/04/2012.
3. Cloud Computing 2012 on 28/05/2012.
4. Malaysian CMO Conference 2012 on 14/06/2012.

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.

RELATIONSHIP WITH STAKEHOLDERS

The Board believes that they are not only accountable to shareholders but also responsible for managing a successful and productive relationship with the Company's stakeholders.

(i) Shareholders

The Board values regular communications with shareholders. These include various announcements made during the year, the timely release of annual reports, circulars to shareholders, press releases and announcements on quarterly financial results, which provide shareholders with an overview of the Group's business and financial performances. The Company also conducts regular dialogues with its institutional shareholders and financial analysts whenever considered appropriate.

(ii) AGM and Extraordinary General Meeting (EGM)

The AGM and EGM is the principal forum for dialogue with shareholders. Shareholders are encouraged to participate in the proceedings and make enquiries about the resolutions being proposed and the operations of the Group.

Statement On Corporate Governance
(cont'd)

(iii) Company Website

The Group maintains a homepage at www.dp.com.my which provides a comprehensive avenue for information such as Corporate Information including Financial Information, Press Statements and Business Activities to allow shareholders, investors and members of the public to access information on the Group. Shareholders are able to forward questions to the Company through its e-mail published in the website and the Company will reply accordingly.

(iv) Annual Report

Another major channel used by the Board to provide its shareholders and investors with information on its business, financials and other key activities is the Annual Report of the Company, which contents are continuously enhanced to take into account the developments, amongst others, in corporate governance. The Board aims to provide and present a clear and comprehensive assessment of disclosures in the Annual Report to shareholders as guided by the principles set out in the Listing Requirements and the Code.

ACCOUNTABILITY AND AUDIT

Financial Reporting

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 recommendations, to ensure that the accounts and the other financial reports of the Company and of the Group are prepared in accordance with applicable Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the provisions of the Companies Act, 1965.

Quarterly results are only released to the BMSB after being scrutinised 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, made available to the public and is also published on the Company's website.

Internal Control

The Board acknowledges its overall responsibility for maintaining the system of internal controls to safeguard the shareholders' investment and the Group's assets. The Statement on Risk Management and Internal Control made in pursuant to paragraph 15.26 of the MMLR is separately set out on pages 21 to 23 of this Annual Report.

During the financial year, the Internal Audit Unit had assumed a role in assuring the Audit Committee in the facilitation and assessment of the adequacy and effectiveness of the internal controls of the Group.

Relationship with the Auditors

Through the Audit Committee, the Group has established a transparent and appropriate relationship with the Group's internal and external auditors. The Audit Committee meets with the external auditors at least twice a year to review audit plans, audit reports and to facilitate exchange of views on issues requiring attention. In addition, audit findings and reports are highlighted to the Audit Committee and Board. The Audit Committee also meets the external auditors without the presence of management if the need arises.

Sustainability Policy

The Group recognises the importance of sustainability and its increasing impact to the business and is committed to understanding and implementing sustainable practices. The Group will set long term and short term targets for its sustainability efforts in order to achieve the right balance between the needs of the wider community, the requirements of shareholders and stakeholders and economic success. The Group acknowledges its corporate social responsibility in the community and will continue to support worthy causes.

Statement On Corporate Governance
(cont'd)

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.

The fees and / or any increase, payable to Non-Executive Directors are approved by the shareholders at the Annual General Meeting based on the recommendation of the Board. 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 calibre. The fees payable to Non-Executive Directors shall not exceed the maximum annual fees of RM400,000 as conferred by the shareholders in the Annual General Meeting held on 28 August 2008, unless a new mandate from shareholders is obtained. During the year, no revision on the directors' fees and allowances for non-executive directors were recommended due to the difficult year of economic condition. For the year under review, the total fees to be paid to Independent Non-Executive Directors amounted to RM153,000.

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 2013 are categorised into appropriate components as follows:

	Emoluments	Allowance	Fee	Bonuses	Benefits in-Kind	Total (RM)
Executive Directors	460,000	-	-	-	58,133	518,133
Non-Executive Directors	-	21,750	131,250	-	-	153,000

Range of remuneration	Number of Directors Executive Director	Non-Executive Director
Nil	-	-
Below RM50,000	-	3
RM50,001 – RM100,000	-	1
RM100,001 – RM150,000	-	-
RM500,001 – RM550,000	1	-

The above disclosure is in full compliance with the MMLR. Although the said disclosure does not fully comply with the requirements of the Securities Commission, the Board of Directors is of the view that sufficient information is contained therein.

Additional Compliance Information

The information disclosed below is in compliance with MMLR of BMSB

- **Material Contracts with Related Parties**

  Except for the transactions mentioned under "Recurrent Related Party Transactions of a Revenue of Trading Nature", there were no material contracts during the financial year under review which involve interests of directors and major shareholders.

- **Sanctions and / or Penalties imposed**

  There were 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**

  The Company did not enter into any share buy-back transaction during the financial year.

- **Options, Warrants or Convertible Securities**

  The Company did not issue any options, warrants or convertible securities during the financial year 2013.

- **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, a non-audit fee of RM21,600 will be payable to Folks Taxation Sdn Bhd as tax agent services rendered for the financial year.

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

  Not applicable.

- **Profit guarantee**

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

- **Inter-company loans**

  There were no loans between the Company and its subsidiaries that involve directors' or major shareholders' interests.

- **Revaluation of landed properties**

  Not applicable.

- **Utilisation of Proceeds Raised From Corporate Proposals**

  There were no corporate proposals during the financial year.

- **Recurrent Related Party Transactions of a Revenue of Trading Nature**

  During the financial year ended 31 March 2013, there were some related party transactions which are summarised as follows:

	Group	
	2013 RM'000	**2012 RM'000**
Consultancy fee charged to 3rd Valley (Zhangjiakou) Resort Corporation *	885	419
Consultancy fee payable to VXL Capital Partners Corporation Limited **	5	-
Sales to LGT Sdn Bhd ***	263	-
Consultancy fee paid to Servion Enterprise #	282	384

* 3rd Valley (Zhangjiakou) Resort Corporation (Incorporated in the People's Republic of China) is a company in which Datuk Lim Chee Wah, a director and substantial shareholder of the Company, has substantial interest.

** VXL Capital Partners Corporation Limited (Incorporated in British Virgin Islands) is a company in which DLCW has substantial financial interest.

*** LGT Sdn Bhd is a company incorporated in Malaysia in which DLCW is a director and has substantial financial interest.

Servion Enterprise is a sole proprietorship owned by Ng Keok Ang, a former key management personnel of the Group.

Audit Commitee Report

1. COMPOSITION

There are three (3) Audit Committee members, all of whom 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 : Tan Sri Datuk Adzmi bin Abdul Wahab (Independent, Non-Executive Director)
Encik Muhammad Fauzi bin Abd Ghani* (Independent, Non-Executive Director)

*(*member of MIA)*

The Secretaries to the Audit Committee are Ms. Lee Yoong Shyuan and Mr. Wong Choong Ming.

2. TERMS OF REFERENCE

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

2.1 Membership

The Audit Committee shall be appointed by the Board of Directors from amongst its members, which fulfils the following requirements after taking into consideration the recommendation of 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 MMLR of 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:

    (i) must be a member of the Malaysian Institute of Accountants; or
    (ii) who must have at least 3 years' working experience and: -
        (aa) have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
        (bb) is a member of one of the Associations specified in Part II of the First Schedule of the Accountants Act, 1967; or
        (cc) a degree/masters/doctorate in accounting or finance ; or
        (dd) a member of any professional accountancy organisation which has been admitted as a full member of the International Federation of Accountants; or
        (ee) at least 7 years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.
    (iii) 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 members of the Committee must elect a Chairman among themselves who is 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; and
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 Company). The Board of Directors shall review the terms of office and performance of the Committee and each of its members at least once every three (3) years.

Audit Commitee Report
(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 in the Company and the Group.

2.2.2 To review the following and report to the Board:

a. With the External Auditors

(i) the audit plan and audit report and the extent of assistance rendered by employees of the auditee;
(ii) their evaluation of the system of internal controls;
(iii) the audit fee and on matters concerning their suitability for nomination, appointment and reappointment and the underlying reasons for resignation or dismissal as Auditors;
(iv) the management letter and management's responses; 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 internal audit and the necessary authority to carry out its work;
(ii) the audit plan of work programme and results of internal audit processes including actions taken on recommendations;
(iii) the extent of co-operation and assistance rendered by employees of auditee;
(iv) the appraisal of the performance of the internal audit unit including that of the senior staff and any matters concerning their appointment and termination;
(v) the cognizance of resignation of internal audit 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 policies relating to 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 before 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;
(iv) compliance with the accounting standards, regulatory and other legal requirements; and
(v) whether auditor's report contains qualification which must be properly discussed and acted upon to remove cause of auditor's 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 Company or the Group including any transactions, procedures or courses of conduct that raise questions of management integrity.

2.2.3 To report any breaches of the MMLR which have not been satisfactorily resolved to 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 courses attended by each member;

Audit Commitee Report
(cont'd)

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 compliance with the Malaysian Code on Corporate Governance 2012 and

(ii) where there is non-observance of a recommendation, the reason for 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 risk management and internal controls of the Company and of the Group;

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 Appendix 9C of the MMLR.

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 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 Chief Operating Officer, the Chief Financial Officer, the Head of IAU and the external auditors in order to be kept informed on matters affecting the Company and the Group; and
e. Be able to obtain independent professional or other advice and to invite outsiders with relevant experience and expertise to attend the Committee's meetings when considered necessary.

Audit Commitee Report
(cont'd)

2.4 Meetings

a. The Committee shall hold a minimum of four (4) meetings in a financial year;
b. The meetings 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 proceedings 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 the 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, 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 their 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 of 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 2013 is approximately RM310,000.
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 establishment of the IAU.
c. In respect of routine administrative matters, the Head of the Internal Audit Unit 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
(cont'd)

3. ATTENDANCE AT MEETINGS

The Committee met 4 times during the financial year ended 31 March 2013. The attendance record of the Committee members is as follows:

Name of Committee Member	No. of Meetings Attended	Percentage
Mr Michael Yee Kim Shing	4/4	100
En Muhammad Fauzi bin Abd Ghani	3/4	75
Tan Sri Datuk Adzmi bin Abdul Wahab	4/4	100

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 2013 include the following:

a. Reviewed the adequacy and relevance of the scope, function, resources, risk-based audit plan and results of the internal audit processes;
b. Reviewed the internal audit reports (including management's responses) which cover the review of internal control systems, accounting and information systems and ISO 9001 internal quality audits, and reports on ad hoc assignments requested by the Senior Management, Audit Committee and Board members;
c. Reviewed the internal audit reports (including management's responses) which cover reviews of the adequacy and effectiveness of the internal controls of the Group;
d. Reviewed the re-appointment of the External Auditors and to recommend to the Board of Directors for further recommendation to the shareholders for re-appointment;
e. Reviewed with the External Auditors their audit plans (inclusive of system evaluation and audit fees) prior to the commencement of the annual audit;
f. Reviewed the year-end audited financial statements, the audit reports, issues and reservations arising from the audit and the management letter together with management's responses, with the External Auditors;
g. Reviewed the quarterly financial statements and year-end audited financial statements and the quarterly reports for announcement to the BMSB;
h. Reviewed the disclosure of the related party transactions entered into by the Company and the Group and any conflict of interest situation and questionable transactions which may have an impact on management's integrity;
i. Reviewed the recurrent related party transactions of the Group in accordance with the guidelines and procedures established by the Group and ensured that the review procedures are operating as intended;
j. Updated and advised the Board on the latest changes and pronouncements issued by the accountancy, statutory and regulatory bodies;
k. Reported to and updated the Board on significant issues and matters discussed during the Committee's meetings and where appropriate, made the necessary recommendations to the Board. Minutes of all Committee meetings were made available to all Board members;
l. Prepared the Audit Committee Report for inclusion in the Company's Annual Report;
m. Reviewed its Terms of Reference in compliance with the MMLR; and
n. 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 Risk Management and Internal Control ("SRMIC"), the negative assurance in respect of the review on the SIC provided by the External Auditors (Paragraph 15.23 of the MMLR of BMSB) and other statements in accordance with Appendix 9C of the MMLR of BMSB for publication in the Company's Annual Report.

Audit Commitee Report
(cont'd)

5. INTERNAL AUDIT UNIT

The summary of activities of the Internal Audit function for the financial year ended 31 March 2013 is as follows:

a. Prepared the annual Audit Planning Memorandum for the Audit Committee's approval;
b. Assumed a full participating role as advocated by the Professional Practice Framework in assisting management in the facilitation and provision of opinions on the adequacy and effectiveness of the internal controls of the Group. IAU also carried out risk-based audits of strategic business units including ad-hoc assignments requested by the Senior Management, Audit Committee and Board members.
c. Issued audit reports to the Audit Committee and management identifying internal control deficiencies 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 BMSB;
e. Assisted the Audit Committee in the review of the disclosure of related party transactions and any conflict of interest situation and questionable transactions, and reporting thereon in the audit report;
f. Assisted the Audit Committee in the review of 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. Followed-up on management corrective actions on audit issues raised by the unit and determined whether corrective actions taken had achieved the desired results;
h. Attended all Audit Committee meetings to table and discuss the audit reports and follow-up on matters raised;
i. Carried out ISO 9001 internal quality audits of the Group and issued audit reports to the Audit Committee and management that identify deficiencies and provide recommendations for improvement; and
j. Reviewed the disclosure statements on compliance with the Malaysian Code on Corporate Governance, Board's responsibility for preparing the annual audited accounts and the Statement on Risk Management and Internal Control ("SRMIC"), the negative assurance in respect of the review on the SIC provided by the External Auditors (Paragraph 15.23 of the MMLR of BMSB) and other statements in accordance with Appendix 9C of the MMLR of BMSB for publication in the Company's Annual Report.

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Directors' Report

DIRECTORS' REPORT

The Directors submit herewith their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2013.

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 16 to the financial statements. There were no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Loss net of tax	(4,941)	(127)
Attributable to:		
Owners of the Company	(4,966)	(127)
Non-controlling interests	25	-
	(4,941)	(127)

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.

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

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
Michael Yee Kim Shing
Muhammad Fauzi bin Abd. Ghani
Ahmad Rizan bin Ibrahim

In accordance with Article 98 of the Company's Articles of Association, Muhammad Fauzi bin Abd. Ghani retires by rotation from the Board at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

In accordance with Section 129(6) of the Companies Act, 1965, Tan Sri Datuk Adzmi bin Abdul Wahab and Michael Yee Kim Shing retire from the Board at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment.

Directors' Report
(cont'd)

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.

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 10 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.

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 in the Company and related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM0.25 Each			
The Company	**At 1.4.2012**	**Acquired**	**Disposed**	**At 31.3.2013**
Tan Sri Datuk Adzmi bin Abdul Wahab				
- Direct	203,125	-	-	203,125
Datuk Lim Chee Wah				
- Direct	1,062,500	-	-	1,062,500
- Indirect	203,385,046	-	-	203,385,046
Ahmad Rizan bin Ibrahim				
- Direct	17,831	-	-	17,831

	Number of Ordinary Shares of RM1 Each			
	At 1.4.2012	**Acquired**	**Disposed**	**At 31.3.2013**
Holding Company - VXL Holdings Sdn. Bhd.				
Datuk Lim Chee Wah				
- Indirect	1,000,000	-	-	1,000,000

	Number of Ordinary Shares of RM1 Each			
	At 1.4.2012	**Acquired**	**Disposed**	**At 31.3.2013**
Subsidiary Companies - Solsis (M) Sdn. Bhd.				
Ahmad Rizan bin Ibrahim				
- Direct	2,538,000	-	-	2,538,000
- HRM Business Consulting Sdn. Bhd. (In liquidation)				
Ahmad Rizan bin Ibrahim				
- Direct	41,400	-	-	41,400

Directors' Report
(cont'd)

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 of the Company and its related corporations during the financial year.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position 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 all known bad debts had been written off 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) the amount written off for 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.

(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.

Directors' Report
(cont'd)

AUDITORS

The auditors, Folks DFK & Co, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 31 May 2013.

Tan Sri Datuk Adzmi bin Abdul Wahab
Chairman

Ahmad Rizan bin Ibrahim
Chief Executive Officer

Date : 31 May 2013

Statements of Comprehensive Income

For The Financial Year Ended 31 March 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Revenue	4	53,403	60,170	5,404	4,345
Cost of sales		(44,133)	(50,083)	-	-
Gross profit		9,270	10,087	5,404	4,345
Other income	5	977	1,326	355	1,581
Selling and distribution costs		(1,658)	(2,517)	-	-
Administrative expenses		(7,595)	(7,033)	(4,317)	(3,091)
Other expenses	6	(5,712)	(6,574)	(1,564)	(15,223)
Operating loss		(4,718)	(4,711)	(122)	(12,388)
Finance costs	7	(186)	(183)	(5)	(7)
Loss before tax	8	(4,904)	(4,894)	(127)	(12,395)
Taxation	11	(37)	(2,879)	-	-
Loss for the financial year		(4,941)	(7,773)	(127)	(12,395)
Other comprehensive income/(loss)					
Foreign currency translation gain/(loss)		3	(3)	-	-
Other comprehensive income/ (loss) for the year, net of tax		3	(3)	-	-
Total comprehensive loss for the year		(4,938)	(7,776)	(127)	(12,395)
Loss for the financial year attributable to:					
Owners of the Company		(4,966)	(6,684)	(127)	(12,395)
Non-controlling interests		25	(1,089)	-	-
		(4,941)	(7,773)	(127)	(12,395)
Total comprehensive loss for the year attributable to:					
Owners of the Company		(4,963)	(6,687)	(127)	(12,395)
Non-controlling interests		25	(1,089)	-	-
		(4,938)	(7,776)	(127)	(12,395)
Loss per share attributable to owners of the Company (sen):					
Basic	12	(1.30)	(1.74)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Financial Position

As At 31 March 2013

	Note	Group 2013 RM'000	31.3.2012 RM'000	1.4.2011 RM'000
ASSETS				
Non-current assets				
Plant and equipment	13	1,726	2,677	3,932
Goodwill on consolidation	14	-	-	104
Intangible assets	15	133	206	340
Other investments	17	91	91	91
Long term receivable	21	1,621	-	-
Deferred tax assets	19	-	-	2,810
		3,571	2,974	7,277
Current assets				
Inventories	20	932	690	1,159
Trade receivables	21	22,125	24,798	45,345
Other receivables	22	2,686	4,126	3,707
Tax recoverable		67	83	106
Cash and bank balances	24	27,431	27,747	30,642
		53,241	57,444	80,959
TOTAL ASSETS		56,812	60,418	88,236
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	25	95,772	95,772	95,772
Share premium		5,488	5,488	5,488
Merger deficit		(13,509)	(13,509)	(13,509)
Foreign exchange reserve		11	8	11
Accumulated losses		(48,074)	(43,108)	(36,529)
		39,688	44,651	51,233
Non-controlling interests		627	602	1,796
Total equity		40,315	45,253	53,029
Non-current liabilities				
Long term borrowings	26	1,568	94	134
Current liabilities				
Trade payables	27	9,292	7,773	29,462
Other payables	28	3,997	4,275	3,958
Short term borrowings	26	1,603	2,996	1,641
Provision for taxation		37	27	12
		14,929	15,071	35,073
Total liabilities		16,497	15,165	35,207
TOTAL EQUITY AND LIABILITIES		56,812	60,418	88,236

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Company Statement of Financial Position

As At 31 March 2013

	Note	2013 RM'000	Company 31.3.2012 RM'000	1.4.2011 RM'000
ASSETS				
Non-current assets				
Plant and equipment	13	314	439	616
Intangible assets	15	149	185	262
Investment in subsidiaries	16	25,596	25,596	6,114
Amounts due from subsidiaries	18	-	-	35,264
		26,059	26,220	42,256
Current assets				
Other receivables	22	83	96	217
Amounts due from subsidiaries	18	6,213	5,073	-
Tax recoverable		15	15	37
Cash and bank balances	24	17,703	18,835	20,166
		24,014	24,019	20,420
TOTAL ASSETS		50,073	50,239	62,676
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	25	95,772	95,772	95,772
Share premium		5,488	5,488	5,488
Accumulated losses		(51,764)	(51,637)	(39,242)
Total equity		49,496	49,623	62,018
Non-current liabilities				
Long term borrowings	26	52	94	134
Current liabilities				
Other payables	28	424	481	485
Amount due to a subsidiary	29	59	-	-
Short term borrowings	26	42	41	39
		525	522	524
Total liabilities		577	616	658
TOTAL EQUITY AND LIABILITIES		50,073	50,239	62,676

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 March 2013

	← Attributable to the Owners of the Company →							
		← Non-Distributable →						
Group	Share capital (Note 25) RM'000	Share premium RM'000	Merger deficit RM'000	Other reserves RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2012	95,772	5,488	(13,509)	8	(43,108)	44,651	602	45,253
Loss for the financial year	-	-	-	-	(4,966)	(4,966)	25	(4,941)
Other comprehensive income :								
Foreign currency translation gain for foreign operations	-	-	-	3	-	3	-	3
Total comprehensive loss for the year	-	-	-	3	(4,966)	(4,963)	25	(4,938)
At 31 March 2013	95,772	5,488	(13,509)	11	(48,074)	39,688	627	40,315
At 1 April 2011	95,772	5,488	(13,509)	11	(36,529)	51,233	1,796	53,029
Loss for the financial year	-	-	-	-	(6,684)	(6,684)	(1,089)	(7,773)
Other comprehensive loss :								
Foreign currency translation loss for foreign operations	-	-	-	(3)	-	(3)	-	(3)
Total comprehensive loss for the year	-	-	-	(3)	(6,684)	(6,687)	(1,089)	(7,776)
Disposal of part equity in a subsidiary to non-controlling interest	-	-	-	-	105	105	(105)	-
At 31 March 2012	95,772	5,488	(13,509)	8	(43,108)	44,651	602	45,253

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Company Statement of Changes in Equity

For the Financial Year Ended 31 March 2013

	← Attributable to the Owners of the Company →			
		Non-Distributable		
	Share capital (Note 25) RM'000	**Share premium RM'000**	**Accumulated losses RM'000**	**Total equity RM'000**
Company				
At 1 April 2012	95,772	5,488	(51,637)	49,623
Loss for the financial year representing total comprehensive loss for the year	-	-	(127)	(127)
At 31 March 2013	95,772	5,488	(51,764)	49,496
At 1 April 2011	95,772	5,488	(39,242)	62,018
Loss for the financial year representing total comprehensive loss for the year	-	-	(12,395)	(12,395)
At 31 March 2012	95,772	5,488	(51,637)	49,623

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 March 2013

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Cash Flows from Operating Activities				
Loss before tax	(4,904)	(4,894)	(127)	(12,395)
Adjustments for:				
Depreciation of plant and equipment	1,202	1,340	183	187
Amortisation of intangible assets	99	136	62	79
Impairment losses of investments in subsidiaries	-	-	-	13,561
Impairment loss of goodwill	-	104	-	-
Gain on disposal of plant and equipment	(7)	(67)	-	-
Plant and equipment written off	6	54	-	-
Allowance for impairment losses on receivables	-	-	-	5
Bad debts written off	-	24	-	24
Reversal of impairment loss of amount due from a subsidiary	-	-	-	(966)
Obsolete inventories				
- allowance	73	123	-	-
- write back of allowance	-	(375)	-	-
Interest expense	125	113	5	7
Interest income	(640)	(845)	(318)	(593)
Operating loss before working capital changes	(4,046)	(4,287)	(195)	(91)
(Increase)/decrease in inventories	(256)	721	-	-
Decrease in receivables	2,492	20,104	13	97
Increase/(decrease) in payables	1,241	(21,375)	(57)	(4)
Increase in net amounts due from subsidiaries	-	-	(1,081)	(1,891)
Cash used in operations	(569)	(4,837)	(1,320)	(1,889)
Tax (paid)/refunded	(11)	(31)	-	22
Interest received	640	845	318	593
Interest paid	(125)	(113)	(5)	(7)
Net cash used in operating activities	(65)	(4,136)	(1,007)	(1,281)
Cash Flows from Investing Activities				
Purchase of plant and equipment	(317)	(191)	(58)	(12)
Purchase of intangible assets	(26)	(2)	(26)	(2)
Proceeds from disposal of plant and equipment	8	119	-	2
Net cash used in investing activities	(335)	(74)	(84)	(12)
Cash Flows from Financing Activities				
Drawdown of borrowings	2,623	1,992	-	-
Repayment of borrowings	(2,271)	(1,602)	-	-
Repayment of hire purchase liabilities	(41)	(38)	(41)	(38)
Net cash from/(used in) financing activities	311	352	(41)	(38)
Net decrease in cash and cash equivalents	(89)	(3,858)	(1,132)	(1,331)
Effect of exchange rate fluctuations	3	-	-	-
Cash and cash equivalents at beginning of year	26,784	30,642	18,835	20,166
Cash and cash equivalents at end of year (Note 32)	26,698	26,784	17,703	18,835

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes To The Financial Statements

31 March 2013

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

Dataprep Holdings Bhd ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market 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 holding company of the Company is VXL Holdings Sdn. Bhd., a company 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 16.

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 31 May 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act, 1965 in Malaysia.

These financial statements of the Group and of the Company are the first set of financial statements prepared in accordance with MFRSs and, MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards, has been applied. Previously, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards ("FRSs") in Malaysia. The transition to MFRSs did not result in any impact on the financial position, financial performance and cash flows of the Group and of the Company.

The accounting policies disclosed below have been consistently applied in the preparation of financial statements of the Group and of the Company for the year ended 31 March 2013, the comparative figures for the year ended 31 March 2012 and the opening MFRS statement of financial position as at 1 April 2011 (date of transition to MFRSs).

The estimates in accordance with MFRS at the date of transition are consistent with the estimates for the same date in accordance with previous FRS.

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000).

Notes To The Financial Statements

31 March 2013 (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New MFRSs, IC Interpretations and Amendments to MFRSs That Are Not Yet Effective and Have Not Been Early Adopted

The Group has not early adopted the following new MFRSs, IC Interpretations and amendments to MFRSs which have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective :-

		Effective for financial period beginning on or after
Amendments to MFRS 101	Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income	1 July 2012
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119 (Revised)	Employee Benefits	1 January 2013
MFRS 127 (Revised)	Separate Financial Statements	1 January 2013
MFRS 128 (Revised)	Investments in Associates and Joint Ventures	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 7	Financial Instruments : Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards - Government Loans	1 January 2013
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009 -2011 Cycle)	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities : Transition Guidance	1 January 2013
Amendments to MFRS 101	Presentation of Financial Statements (Annual Improvements 2009 - 2011 Cycle)	1 January 2013
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2009 - 2011 Cycle)	1 January 2013
Amendments to MFRS 132	Financial Instruments : Presentation (Annual Improvements 2009 - 2011 Cycle)	1 January 2013
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2009 -2011 Cycle)	1 January 2013
Amendments to MFRS 132	Financial Insruments : Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities	1 January 2014
MFRS 9	Financial Instruments (IFRS 9 issued by International Accounting Standards Board ("IASB") in November 2009)	1 January 2015
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2015

Notes To The Financial Statements

31 March 2013 (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New MFRSs, IC Interpretations and Amendments to MFRSs That Are Not Yet Effective and Have Not Been Early Adopted (Cont'd)

The Group plans to apply the above MFRSs, IC Interpretations and amendments once they become effective. The adoption of these standards, interpretation or amendments is not expected to have any material impact on the financial statements of the Group and of the Company upon their initial application other than as discussed below :-

(a) Amendments to MFRS 101, Presentation of Financial Statements
- Presentation of Items of Other Comprehensive Income

The main change resulting from the amendments is a requirement to group items presented in other comprehensive income ("OCI") on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments did not address which items are presented in OCI.

The adoption of these amendments will not have any financial impact on the financial statements other than the change in the presentation of OCI.

(b) MFRS 10, Consolidated Financial Statements

MFRS 10 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. This standard replaces MFRS 127, Consolidated and Separate Financial Statements, on the definition of control and requirements for consolidation.

The adoption of MFRS 10 is not expected to have any financial impact on the financial statements of the Group.

(c) MFRS 13, Fair Value Measurement

MFRS 13 establishes the definition of fair value and a single framework for measuring fair value and requirements for disclosures about fair value measurements. This MFRS applies when another MFRS requires or permits fair value measurements or disclosures about fair value measurements. As a result, MFRS 13 remedy the inconsistencies in the requirements for measuring fair value and disclosures about fair value measurements across the MFRSs.

The adoption of MFRS 13 is not expected to have any financial impact on the financial statements of the Group and of the Company.

(d) MFRS 9, Financial Instruments

MFRS 9 is intended to replace MFRS 139 in its entirety. Under MFRS 9 currently, financial assets are classified as subsequently measured at either amortised cost or fair value on the basis of both an entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. These requirements improve and simplify the approach for classification and measurement of financial assets as the numerous categories of financial assets in MFRS 139 had been replaced. Most of the requirements in MFRS 139 for classification and measurement of financial liabilities were carried forward unchanged to MFRS 9. The guidance in MFRS 139 on impairment of financial assets and hedge accounting continues to apply.

The adoption of MFRS 9 is not expected to have any financial impact on the financial statements of the Group and of the Company based on current assessment.

Notes To The Financial Statements

31 March 2013 (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the financial year end. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transaction and events in similiar circumstances.

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.

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting except for subsidiaries arising from common control transfers. The consideration transferred for the acquisition of a subsidiary is measured at fair value and is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, equity interests issued and contingent consideration given. Acquistion-related costs are recognised as an expense in the periods in which the costs are incurred.

In a business combination achieved in stages, any previously held equity interest is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, except for non-current assets that are classified as held for sale which shall be recognised at fair value less costs to sell.

For acquisitions on or after 1 April 2011, goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest and the acquistion-date fair value of any previously held equity interest over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. The excess of the Group's interest in the net amounts of the identifiable assets, liabilities and contingent liabilities over the aggregate of the consideration transferred, the amount of any non-controlling interest and the acquistion-date fair value of any previously held equity interest is recognised immediately in profit or loss.

The Group has elected not to restate its past business combinations which occurred before 1 April 2011 upon transition to the MFRS framework.

Subsidiaries arising from common control combinations are consolidated using the principles of merger accounting. The common control combinations are business combinations in which all the combining entities have common ultimate controlling parties prior to and immediately after such combinations. Under the principles of merger accounting, the assets and liabilities of the combining entities are consolidated using the existing book values from the controlling parties' perspective and the results of each of the combining entity are presented as if the combination had been effected throughout the current and previous comparative periods presented. On consolidation, the cost of investment is matched against the nominal value of ordinary shares acquired and any resulting credit difference (merger reserve) is classified under equity as a non distributable reserve and any resulting debit difference (merger deficit) is adjusted against suitable consolidated reserves.

Non-controlling interest represents that portion of profit or loss and net assets of a subsidiary not attributable, directly or indirectly, to the Group. For each business combination, non-controlling interest is measured either at its fair value at the acquisition date or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets. Non-controlling interest in the net assets of consolidated subsidiaries comprised the amount of non-controlling interest at the date of original combination and its share of changes in equity since the date of combination.

In preparing consolidated financial statements, intra-group balances and transactions and the resulting unrealised profits are eliminated on consolidation. Unrealised losses are eliminated on consolidation and the relevant assets are assessed for impairment. The consolidated financial statements reflect external transactions and balances only. The total comprehensive income of a subsidiary is attributed to the Group and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

Notes To The Financial Statements
31 March 2013 (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Basis of Consolidation (Cont'd)

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group loses control of a subsidiary, the assets (including any goodwill) and liabilities of the subsidiary and non-controlling interests will be derecognised at their carrying amounts at the date when control is lost. Any investment retained in the former subsidiary is recognised at its fair value at the date when control is lost. The resulting difference between the amounts derecognised and the aggregate of the fair value of consideration received and investment retained is recognised as gain or loss in profit or loss attributable to the Group.

2.4 Subsidiaries

A subsidiary is an entity in which the Group has the power to exercise control over the financial and operating policies so as to obtain benefits from its activities. In assessing control, the existence and effect of potential voting rights that are currently exercisable or convertible are taken into account.

In the Company's separate financial statements, investments in subsidiaries are accounted for 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.

2.5 Intangible Assets

(a) Goodwill

Goodwill acquired in a business combination is determined as described in Note 2.3 and is initially measured at cost. 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.

(b) 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 financial year end.

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

2.6 Plant and Equipment, and Depreciation

All items of 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 profit or loss during the financial period in which they are incurred.

Notes To The Financial Statements

31 March 2013 (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Plant and Equipment, and Depreciation (Cont'd)

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

Depreciation of 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	20%
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 plant and equipment.

An item of 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.

2.7 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 cost 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 are likely to 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.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

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.

2.8 Impairment of Non-financial Assets

The carrying amounts of non-financial assets, other than contract assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the Group makes an estimate of the asset's recoverable amount.

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 reporting date or more frequently when indicators of impairment are identified.

Notes To The Financial Statements
31 March 2013 (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Impairment of Non-financial Assets (Cont'd)

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.

2.9 Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition.

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

All financial assets of the Group are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised when, and only when, the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration is recognised in profit or loss.

Notes To The Financial Statements

31 March 2013 (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Impairment of Financial Assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in the economic conditions.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value after making due allowance 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.

2.12 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.

2.13 Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

The Group's financial liabilities include trade and other payables and borrowings. All financial liabilities of the Group are classified as other financial liabilities.

Notes To The Financial Statements
31 March 2013 (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Financial Liabilities (Cont'd)

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when, and only when, the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.14 Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

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

2.15 Share Capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes To The Financial Statements

31 March 2013 (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Hire-Purchase and Finance Lease Arrangements and Operating Leases

(a) Classification

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

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.

(b) 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 statement of financial position 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.

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 plant and equipment as described in Note 2.6.

(c) 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.

2.18 Income Tax

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Notes To The Financial Statements
31 March 2013 (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Income Tax (Cont'd)

(b) Deferred tax (Cont'd)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.19 Employee Benefits

(a) 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.

Notes To The Financial Statements
31 March 2013 (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Employee Benefits (Cont'd)

(b) 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 profit or loss as incurred.

2.20 Foreign Currencies

(a) 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.

(b) 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 reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting 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. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's separate 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 other comprehensive income. Exchange differences arising from such non-monetary items are also recognised directly in other comprehensive income.

(c) 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 presented are translated at the closing rate prevailing at reporting date;
- Income and expenses 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.

Goodwill and fair value adjustments arising on the acquisition of foreign operations 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 reporting date.

Notes To The Financial Statements

31 March 2013 (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 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. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

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.

(b) Rendering of services

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

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

(c) Contracts

(i) Revenue from contracts is accounted for by the stage of completion method as disclosed in Note 2.7.

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

(d) Rental income

Revenue on rental of Electronic Data Capture ("EDC") equipment is recognised on an accrual basis.

(e) Management fees

Management fees are recognised when services are performed.

(f) Interest income

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

(g) Dividend income

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with the Malaysian Financial Reporting Standards and International Financial Reporting Standards requires management to exercise their judgement in the process of applying the Group's accounting policies and which may have significant effects on the amounts recognised in the financial statements. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the results reported for the reporting period and that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Although these judgements and estimates are based on the management's best knowledge of current events and actions, actual results may differ.

Notes To The Financial Statements

31 March 2013 (cont'd)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Significant judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, the management are of the opinion that any instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations which are dealt with below.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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.

(i) Impairment assessment for non-financial assets

The Group assesses impairment of plant and equipment and investments in subsidiaries when the events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. Goodwill is assessed for impairment at least on an annual basis. This requires an estimation of the value-in-use of the cash generating units ("CGU") to which the assets are 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 impairment losses of goodwill and cost of investment in subsidiaries are as disclosed in Notes 14 and 16.

(ii) Useful lives of plant and 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 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 judgement 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 is RM1,752,000 (2012: RM1,532,000). The total unrecognised tax losses and capital allowances of the Group is RM73,092,000 (2012: RM68,243,000).

(iv) Impairment losses of receivables

The Group makes an allowance for impairment losses of receivables based on an assessment of the recoverability of receivables. Allowances are applied to receivables and advances to subsidiaries where events or changes in circumstances indicate that the carrying amounts may not be recoverable. In assessing the extent of irrecoverable debts, the management has given due consideration to all pertinent information relating to the ability of the debtors to settle the debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of the receivables. The carrying amounts of receivables and balances due from subsidiaries and the cumulative allowances for impairment losses are disclosed in Notes 18, 21 and 22.

Notes To The Financial Statements
31 March 2013 (cont'd)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key sources of estimation uncertainty (Cont'd)

(v) Long term contracts

The Group recognises long term contract revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that long term contract costs incurred for work performed to date bear to the estimated total long term contract costs.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue, accrued billings and costs, as well as the recoverability of the amount due from contract customers.

4. REVENUE

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
IT related products and services	51,580	57,556	-	-
Payment solutions and services	1,823	2,614	-	-
Management services	-	-	5,404	4,345
	53,403	60,170	5,404	4,345

5. OTHER INCOME

The following amounts have been included in other income: -

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Allowance for obsolete inventories written back	-	375	-	-
Interest income				
- deposits with licensed commercial bank	588	845	318	593
- others	52	-	-	-
Incentive from suppliers	38	35	-	-
Reversal of impairment loss of amount due from a subsidiary *	-	-	-	966

* This related to the full reversal of impairment loss on the amount due from a subsidiary recognised in the financial year ended 31 March 2011 upon the adoption of FRS139 whereby the amount was adjusted to its fair value based on its estimated cash flow. The reversal was made as the amount has been settled in the previous financial year.

Notes To The Financial Statements

31 March 2013 (cont'd)

6. OTHER EXPENSES

The following amounts have been included in other expenses: -

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Impairment losses of investments in subsidiaries	-	-	-	13,561
Impairment loss of goodwill (Note 14)	-	104	-	-
Allowance for impairment losses on receivables	-	-	-	5
Depreciation of plant and equipment	1,202	1,340	183	187
Amortisation of intangible assets	99	136	62	79
Rental of:				
- premises	966	925	222	171
- equipment	56	117	22	76

7. FINANCE COSTS

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Interest expense / charges on:				
- short term borrowings	74	106	-	-
- finance charges on trade facilities	61	70	-	-
- hire purchase	5	7	5	7
- other borrowing	46	-	-	-
	186	183	5	7

8. LOSS BEFORE TAX

In addition to the disclosures in Notes 4, 5, 6 and 7, the following amounts have been charged/(credited) in arriving at loss before tax:

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Employee benefits expense (Note 9)	18,815	20,825	4,317	3,091
Auditors' remuneration				
- current year provision	111	70	27	18
- underprovision in prior year	4	13	7	8
Bad debts written off	-	24	-	24
Net foreign exchange (gains)/loss				
- realised	(20)	(58)	-	-
Non-executive directors' remuneration (Note 10)	153	169	153	169
Allowance for obsolete inventories	73	123	-	-
Plant and equipment written off	6	54	-	-
Gain on disposal of plant and equipment	(7)	(67)	-	-
Leaseline rental	90	123	35	35

Notes To The Financial Statements

31 March 2013 (cont'd)

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Wages and salaries	15,983	17,836	3,704	2,634
Social security contributions	175	199	26	22
Contributions to a defined contribution plan	1,872	2,076	423	297
Other staff related expenses	785	714	164	138
	18,815	20,825	4,317	3,091

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration (excluding benefits-in-kind) amounting to RM924,000 (2012: RM1,024,000) and RM515,000 (2012: RM538,000) respectively as further disclosed in Note 10.

10. DIRECTORS' REMUNERATION

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Directors of the Company				
Executive Directors' remuneration:				
- Salaries, commission and incentives	460	480	460	480
- Contributions to a defined contribution plan	55	58	55	58
	515	538	515	538
Directors of subsidiaries				
Executive Directors' remuneration:				
- Salaries, commission and incentives	365	433	-	-
- Contributions to a defined contribution plan	43	52	-	-
- Social security contributions	1	1	-	-
	409	486	-	-
Total Executive Directors' remuneration (Note 9)	924	1,024	515	538
Directors of the Company				
Non-Executive Directors' remuneration :				
- Fees	131	144	131	144
- Allowances	22	25	22	25
	153	169	153	169
Total Directors' remuneration	1,077	1,193	668	707
Estimated money value of benefits-in-kind	80	67	58	28
Total Directors' remuneration including benefits-in-kind	1,157	1,260	726	735

Notes To The Financial Statements

31 March 2013 (cont'd)

10. 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	
	2013	**2012**
Executive Directors:		
RM100,001 to RM150,000	-	1
RM400,001 to RM450,000	-	1
RM550,001 to RM600,000	1	-
Non-executive Directors:		
RM1 to RM50,000	3	3
RM50,001 to RM100,000	1	1

11. TAXATION

	Group	
	2013 RM'000	**2012 RM'000**
Current year income tax :-		
- Malaysian income tax	-	63
- Overseas tax	37	5
Under provision in prior years	-	1
	37	69
Deferred tax (Note 19): -		
Reversal of deferred tax assets	-	2,810
Total income tax expense	37	2,879

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2012: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Notes To The Financial Statements
31 March 2013 (cont'd)

11. TAXATION (CONT'D)

A reconciliation of the income tax amount applicable to loss 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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Loss before taxation	(4,904)	(4,894)	(127)	(12,395)
Taxation at Malaysian statutory tax rate of 25% (2012: 25%)	(1,226)	(1,223)	(32)	(3,099)
Different tax rate in Singapore	(41)	(13)	-	-
Expenses not deductible for tax purposes	119	218	50	3,457
Income not subject to taxation	(72)	(26)	-	(242)
Utilisation of previously unrecognised unabsorbed capital allowances and unused tax losses	-	(137)	-	-
Utilisation of current year business losses surrendered by a subsidiary	-	-	(65)	(148)
Realisation of previously unrecognised deductible temporary differences	(264)	-	-	-
Reversal of deferred tax assets previously recognised	-	2,810	-	-
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	1,521	1,249	47	32
Underprovision of income tax expense in respect of prior years	-	1	-	-
Income tax expense for the financial year	37	2,879	-	-

	Group	
	2013 RM'000	2012 RM'000
Tax savings recognised during the financial year arising from:		
Utilisation of previously unrecognised unabsorbed capital allowances and unused tax losses	-	162

Notes To The Financial Statements

31 March 2013 (cont'd)

12. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss for the financial year attributable to ordinary equity owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2013	**2012**
Loss attributable to ordinary equity owners of the Company (RM'000)	(4,966)	(6,684)
Weighted average number of ordinary shares in issue ('000)	383,087	383,087
Basic loss per share for the financial year (sen)	(1.30)	(1.74)

(b) Diluted

Diluted earnings per share is not presented as there is no dilutive potential ordinary share outstanding as at the end of the financial year.

13. 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 2013					
Cost					
At 1 April 2012	7,864	5,087	397	411	13,759
Additions	274	43	-	-	317
Disposal	(86)	(15)	-	-	(101)
Write-off	(351)	-	-	-	(351)
At 31 March 2013	7,701	5,115	397	411	13,624
Accumulated Depreciation					
At 1 April 2012	6,373	4,112	285	312	11,082
Depreciation charge for the financial year	524	560	69	49	1,202
Disposal	(27)	(14)	-	-	(41)
Write-off	(345)	-	-	-	(345)
At 31 March 2013	6,525	4,658	354	361	11,898
Net Book Value					
At 31 March 2013	1,176	457	43	50	1,726

Notes To The Financial Statements
31 March 2013 (cont'd)

13. 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					
At 31 March 2012					
Cost					
At 1 April 2011	8,412	5,194	397	410	14,413
Additions	111	79	-	1	191
Disposal	(353)	(73)	-	-	(426)
Write-off	(306)	(113)	-	-	(419)
At 31 March 2012	7,864	5,087	397	411	13,759
Accumulated Depreciation					
At 1 April 2011	6,382	3,614	214	271	10,481
Depreciation charge for the financial year	578	650	71	41	1,340
Disposal	(311)	(63)	-	-	(374)
Write-off	(276)	(89)	-	-	(365)
At 31 March 2012	6,373	4,112	285	312	11,082
Net Book Value					
At 31 March 2012	1,491	975	112	99	2,677
Company					
At 31 March 2013					
Cost					
At 1 April 2012	697	52	309	150	1,208
Additions	53	5	-	-	58
Write-off	(4)	-	-	-	(4)
At 31 March 2013	746	57	309	150	1,262
Accumulated Depreciation					
At 1 April 2012	436	45	205	83	769
Depreciation charge for the financial year	88	4	62	29	183
Write-off	(4)	-	-	-	(4)
At 31 March 2013	520	49	267	112	948
Net Book Value					
At 31 March 2013	226	8	42	38	314

Notes To The Financial Statements
31 March 2013 (cont'd)

13. 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 2012					
Cost					
At 1 April 2011	689	50	309	150	1,198
Additions	10	2	-	-	12
Disposal	(2)	-	-	-	(2)
At 31 March 2012	697	52	309	150	1,208
Accumulated Depreciation					
At 1 April 2011	343	43	143	53	582
Depreciation charge for the financial year	93	2	62	30	187
Disposal	-	-	-	-	-
At 31 March 2012	436	45	205	83	769
Net Book Value					
At 31 March 2012	261	7	104	67	439

Included within plant and equipment of the Group are the cost of fully depreciated assets, which are still in use amounting to RM5,884,000 (2012: RM5,806,000).

The net carrying amount of plant and equipment held under hire purchase arrangements are as follows:-

	Group and Company 2013 RM'000	2012 RM'000
Motor vehicles	43	104

Details of terms and conditions of the hire purchase arrangements are disclosed in Note 26.

14. GOODWILL ON CONSOLIDATION

	Group 2013 RM'000	2012 RM'000
At 1 April 2012/2011	-	104
Less: Impairment loss	-	(104)
At 31 March	-	-

Notes To The Financial Statements
31 March 2013 (cont'd)

15. INTANGIBLE ASSETS

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Cost				
At 1 April 2012/2011	3,196	3,194	1,981	1,979
Addition	26	2	26	2
At 31 March	3,222	3,196	2,007	1,981
Accumulated Amortisation				
At 1 April 2012/2011	2,990	2,854	1,796	1,717
Charge for the financial year	99	136	62	79
At 31 March	3,089	2,990	1,858	1,796
Net Book Value				
At 31 March	133	206	149	185

16. INVESTMENT IN SUBSIDIARIES

	Company 2013 RM'000	Company 2012 RM'000
Unquoted shares, at cost	87,206	87,206
Less: Accumulated impairment losses	(61,610)	(61,610)
	25,596	25,596

Notes To The Financial Statements
31 March 2013 (cont'd)

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name	Country of incorporation	Company's effective interest 2013 %	Company's effective interest 2012 %	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	Dormant.
HRM Business Consulting Sdn. Bhd. (In liquidation)	Malaysia	51	51	Under members' voluntary winding-up
Dataprep Distribution Sdn. Bhd. (In liquidation)	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	55	55	Dormant.
DP International Ltd.*	British Virgin Islands	100	100	Dormant.
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. (In liquidation)	Malaysia	-	33	Dissolved on 28 February 2013 pursuant to members' voluntary winding-up.
Dataprep (HK) Limited @	Hong Kong SAR, People's Republic of China	100	-	Provision of information technology services and solutions.
Dataprep (Beijing) Limited @	People's Republic of China	100	-	Provision of information technology services and solutions.

*　Audited by Folks DFK & Co., Malaysia
@　Audited by other member firms of DFK International.
\#　Audited by a firm other than Folks DFK & Co., Malaysia.

Notes To The Financial Statements

31 March 2013 (cont'd)

17. OTHER INVESTMENTS

	Group 2013 RM'000	Group 2012 RM'000
Club memberships, at cost	140	140
Less: Accumulated impairment losses	(49)	(49)
	91	91

18. AMOUNTS DUE FROM SUBSIDIARIES

Current portion:

	Company 2013 RM'000	Company 2012 RM'000
Amounts due from subsidiaries	41,760	40,620
Less: Allowance for impairment losses	(35,547)	(35,547)
	6,213	5,073

The amounts due from the subsidiaries are unsecured, interest free and repayable on demand.

Non-current portion :

The non-current portion of amounts due from subsidiaries of RM35,264,000 as at 1 April 2011 was unsecured and interest free.

19. DEFERRED TAX ASSETS

	Group 2013 RM'000	Group 2012 RM'000
At 1 April 2012/2011	-	2,810
Reversal during the year (Note 11)	-	(2,810)
At 31 March	-	-

Presented after appropriate offsetting as follows:

Deferred tax assets	447	697
Deferred tax liabilities	(447)	(697)
	-	-

Notes To The Financial Statements

31 March 2013 (cont'd)

19. DEFERRED TAX ASSETS (CONT'D)

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	Other Deductible Temporary Differences RM'000	Total RM'000
At 1 April 2012	383	314	697
Recognised in statement of comprehensive income	55	(305)	(250)
At 31 March 2013	438	9	447
At 1 April 2011	2,855	389	3,244
Recognised in statement of comprehensive income	(2,472)	(75)	(2,547)
At 31 March 2012	383	314	697

Deferred Tax Liabilities of the Group:

	Accelerated Capital Allowances RM'000	Total RM'000
At 1 April 2012	697	697
Recognised in statement of comprehensive income	(250)	(250)
At 31 March 2013	447	447
At 1 April 2011	434	434
Recognised in statement of comprehensive income	263	263
At 31 March 2012	697	697

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Other deductible temporary differences	6	1,183	-	-
Unused tax losses	68,460	64,527	12,280	11,465
Unabsorbed capital allowances	4,632	3,716	2,825	2,557
	73,098	69,426	15,105	14,022

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

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

Notes To The Financial Statements

31 March 2013 (cont'd)

20. INVENTORIES

	Group 2013 RM'000	Group 2012 RM'000
At cost		
Computer equipment, spares and supplies	1,225	1,047
EDC equipment and thermal roll paper	2	1
Work in progress	-	62
	1,227	1,110
Allowance for obsolete inventories		
At 1 April 2012/2011	(420)	(672)
Addition	(73)	(123)
Written off	198	-
Written back	-	375
At 31 March	(295)	(420)
	932	690

The cost of inventories recognised as an expense during the financial year of the Group amounted to RM19,089,000 (2012: RM17,132,000).

21. TRADE RECEIVABLES

	Group 2013 RM'000	Group 2012 RM'000
Trade receivables	23,394	43,693
Less : Amount receivable after one year (classified under non-current assets)	(1,621)	-
	21,773	43,693
Due from customers on contracts (Note 23)	2,082	1,219
	23,855	44,912
Less : Allowance for impairment losses	(1,730)	(20,114)
	22,125	24,798

Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

Notes To The Financial Statements
31 March 2013 (cont'd)

21. TRADE RECEIVABLES (CONT'D)

Trade receivables include a balance of RM2,556,000 (2012: Nil) which arose from a deferred payment sale of RM3,300,000. The sale amount is receivable over 36 monthly instalments and bears an effective interest rate of 7.15% per annum. As at the end of the financial year, the maturity period of the outstanding balance was as follows :-

	Group 2013 RM'000	Group 2012 RM'000
Amount receivable within 1 year	935	-
Amount receivable after 1 year	1,621	-
	2,556	-

All other trade receivables are non-interest bearing and are generally on 90 days (2012: 90 days) terms.

Currency exposure

The currency exposure profile of trade receivables is as follows :-

	Group 2013 RM'000	Group 2012 RM'000
Ringgit Malaysia	21,530	23,475
US Dollar	538	1,323
Renminbi	57	-
	22,125	24,798

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group 2013 RM'000	Group 2012 RM'000
Neither past due nor impaired	9,920	11,430
1 to 30 days past due not impaired	1,946	4,530
31 to 60 days past due not impaired	2,051	467
61 to 90 days past due not impaired	1,889	1,128
More than 91 days past due not impaired	5,858	6,024
	11,744	12,149
Impaired	1,730	20,114
	23,394	43,693

<u>Receivables that are neither past due nor impaired</u>

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Notes To The Financial Statements

31 March 2013 (cont'd)

21. TRADE RECEIVABLES (CONT'D)

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM11,744,000 (2012: RM12,149,000) that are past due at the financial year end but not impaired. These balances relate mainly to customers who have never defaulted on payments but are slow paymasters and are closely monitored.

Such receivables are unsecured in nature.

Receivables that are impaired

The Group's trade receivables that are individually impaired and the movement of the allowance account used to record the impairment is as follows:

	Group 2013 RM'000	Group 2012 RM'000
Trade receivables - nominal amount	1,730	20,114
Less: Allowance for impairment losses	(1,730)	(20,114)
	-	-

Movement in allowance account:

	Group 2013 RM'000	Group 2012 RM'000
At 1 April 2012/2011	20,114	20,114
Written off	(18,384)	-
At 31 March	1,730	20,114

Trade receivables that are individually impaired at the financial year end relate to debtors that are in serious financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

22. OTHER RECEIVABLES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Prepayments	1,940	3,537	72	63
Prepaid interest	-	141	-	-
Deposits	381	354	11	10
Advances to employees	24	39	-	23
Other advances	3,000	3,000	-	-
Interest income receivable	40	30	-	-
Sundry receivables	301	25	-	-
	5,686	7,126	83	96
Allowance for impairment loss	(3,000)	(3,000)	-	-
	2,686	4,126	83	96

At the reporting date, the Group has made an allowance of RM3,000,000 (2012: RM3,000,000) for impairment loss of advances granted to a main local contractor in connection with an overseas contract awarded to a subsidiary in the previous financial years.

Notes To The Financial Statements

31 March 2013 (cont'd)

23. DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	Group 2013 RM'000	Group 2012 RM'000
Contract costs incurred to date	65,614	68,455
Attributable profits	4,370	6,948
	69,984	75,403
Less: Progress billings including retention sums of RM2,638,000 (2012: RM2,846,000)	(68,877)	(76,210)
	1,107	(807)
Due from customers on contracts (Note 21)	2,082	1,219
Due to customers on contracts (Note 27)	(975)	(2,026)
	1,107	(807)
Contract revenue recognised	18,337	24,427
Contract costs recognised as expense	16,681	22,193

24. CASH AND BANK BALANCES

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Deposits with:				
- Licensed Commercial Banks	17,796	20,782	10,000	13,200
Cash and bank balances	9,635	6,965	7,703	5,635
	27,431	27,747	17,703	18,835

Deposits of RM9,296,000 (2012: RM7,582,000) for the Group and RM1,500,000 (2012: RM Nil) for the Company are pledged as security for credit and other banking facilities granted to the Group.

The range of the deposits interest rates as at the end of the financial year was as follows:

	Group 2013 %	Group 2012 %	Company 2013 %	Company 2012 %
Licensed Commercial Banks	2.95 - 3.30	2.80 - 3.30	3.18 - 3.25	2.80

The range of the deposits maturities as at the end of the financial year was as follows:

	Group 2013 Days	Group 2012 Days	Company 2013 Days	Company 2012 Days
Licensed Commercial Banks	4 - 596	2 - 962	4 - 35	2

Notes To The Financial Statements
31 March 2013 (cont'd)

25. SHARE CAPITAL

	Group and Company			
	Number of Ordinary Shares of RM0.25 each		Amount	
	2013 '000	2012 '000	2013 RM'000	2012 RM'000
Authorised:				
At beginning of financial year/ end of financial year	2,000,000	2,000,000	500,000	500,000
Issued:				
At beginning of financial year/ end of financial year	383,087	383,087	95,772	95,772

26. BORROWINGS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-current				
Secured:				
Hire purchase payables	52	94	52	94
Other borrowing	1,516	-	-	-
	1,568	94	52	94
Current				
Secured:				
Hire purchase payables	42	41	42	41
Bank overdraft	733	963	-	-
Banker acceptances	-	1,992	-	-
Other borrowing	828	-	-	-
	1,603	2,996	42	41
Total borrowings	3,171	3,090	94	135

The secured bank overdraft and banker acceptances facilities are secured by way of a charge over the fixed deposits of the Company and of a subsidiary and a corporate guarantee by the Company.

Interest on bank overdraft is payable at the rate of 7.85% (2012: 7.85%). Banker acceptances in respect of the previous financial year were subject to interest rates varying between 3.18% to 4.53%.

Other borrowing obtained to finance a trade purchase is secured by a lien over the goods purchased. The borrowing is repayable over 36 monthly instalments and bears effective interest rate of 7.15% per annum.

Notes To The Financial Statements
31 March 2013 (cont'd)

26. BORROWINGS (CONT'D)

The maturities of the total borrowings as at 31 March 2013 are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
On demand or within one year	1,603	2,996	42	41
More than 1 year and less than 2 years	932	42	44	42
More than 2 year and less than 5 years	636	52	8	52
	3,171	3,090	94	135

Obligations under hire purchases

	Group and Company	
	2013 RM'000	2012 RM'000
Future minimum payments:		
Not later than 1 year	45	45
Later than 1 year and not later than 2 years	45	46
Later than 2 years and not later than 5 years	8	53
Total future minimum payments	98	144
Less: Future finance charges	(4)	(9)
Present value of hire purchase liabilities	94	135

The hire purchase liabilities bore interest at the reporting date of 4.2% (2012: 4.2%) per annum.

27. TRADE PAYABLES

	Group	
	2013 RM'000	2012 RM'000
Trade payables	8,317	5,747
Due to customers on contracts (Note 23)	975	2,026
	9,292	7,773

The credit terms of the Group's trade payables range from 60 days to 90 days (2012: 60 days to 90 days).

The currency exposure profile of trade payables is as follows :-

	Group	
	2013 RM'000	2012 RM'000
Ringgit Malaysia	8,932	6,870
US Dollar	241	756
Singapore Dollar	-	147
Euro	119	-
	9,292	7,773

Notes To The Financial Statements
31 March 2013 (cont'd)

28. OTHER PAYABLES

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Accrued professional fees	94	141	24	60
Accruals on staff costs	414	456	105	127
Deferred income	1,458	1,376	-	-
Deposits from customers	1,068	1,323	-	-
Sundry payables	602	571	147	142
Other accruals	361	408	148	152
	3,997	4,275	424	481

29. AMOUNT DUE TO A SUBSIDIARY

The amount due to a subsidiary is unsecured, interest free and repayable on demand.

30. RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party or when both parties are under the common control of another party.

(a) Transactions and year-end outstanding balances with subsidiaries

(i) Transactions

	Company 2013 RM'000	Company 2012 RM'000
Management services charged to the subsidiaries	5,404	4,345

(ii) Year-end outstanding balances

	Company 2013 RM'000	Company 2012 RM'000
Amounts due from subsidiaries	41,760	40,620
Less: Allowance for impairment losses	(35,547)	(35,547)
	6,213	5,073
Amounts due to a subsidiary	59	-

The terms and conditions of the abovementioned balances are disclosed in Note 18 and Note 29.

Allowance for impairment losses recognised as expense in the current financial year amounted to RM Nil (2012: RM5,000).

Notes To The Financial Statements

31 March 2013 (cont'd)

30. RELATED PARTY DISCLOSURES (CONT'D)

(b) Transactions and year-end outstanding balances with other related parties

(i) Transactions

	Group 2013 RM'000	Group 2012 RM'000
Consultancy fee charged to 3rd Valley (Zhangjiakou) Resort Corporation *	885	419
Consultancy fee payable to VXL Capital Partners Corporation Limited **	5	-
Sales to LGT Sdn. Bhd. ***	263	-
Consultancy fee paid to Servion Enterprise #	282	384

* 3rd Valley (Zhangjiakou) Resort Corporation (Incorporated in the People's Republic of China) is a company in which Datuk Lim Chee Wah ("DLCW"), a director and substantial shareholder of the Company has substantial financial interest.

** VXL Capital Partners Corporation Limited (Incorporated in British Virgin Islands) is a company in which DLCW has substantial financial interest.

*** LGT Sdn. Bhd. is a company incorporated in Malaysia in which DLCW is a director and has substantial financial interest.

\# Servion Enterprise is a sole proprietorship owned by Ng Keok Ang, a former key management personnel of the Group.

(ii) Year-end outstanding balances

	Group 2013 RM'000	Group 2012 RM'000
Included in trade receivables :-		
3rd Valley (Zhangjiakou) Resort Corporation	594	419
LGT Sdn. Bhd.	263	-
Included in other payables :-		
VXL Capital Partners Corporation Limited	5	-

(c) Compensation of key management personnel

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

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Short term employee benefits	1,160	1,319	460	878
Post-employment benefits - Defined contribution plan	139	150	55	100
	1,299	1,469	515	978

Notes To The Financial Statements
31 March 2013 (cont'd)

31. OPERATING LEASE COMMITMENTS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Future minimum rental payable:				
Not later than 1 year	862	353	3	17
Later than 1 year and not later than 5 years	1,070	93	-	4
	1,932	446	3	21

32. CASH AND CASH EQUIVALENTS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Deposits with licensed commercial banks (Note 24)	17,796	20,782	10,000	13,200
Cash and bank balances (Note 24)	9,635	6,965	7,703	5,635
	27,431	27,747	17,703	18,835
Short term borrowings - Overdraft (Note 26)	(733)	(963)	-	-
	26,698	26,784	17,703	18,835

As disclosed in Note 24, deposits of RM9,296,000 (2012: RM7,582,000) for the Group and RM1,500,000 (2012: RM Nil) for the Company are pledged as security for credit and other banking facilities granted to the Group.

33. CONTINGENT LIABILITIES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Corporate Guarantee given to financial institutions :				
- for performance guarantees given to third parties (secured)	5,770	7,540	5,770	7,540
- as security for the bank facilities of a subsidiary (secured)	-	-	1,000	1,000
	5,770	7,540	6,770	8,540

34. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial assets of the Group include deposits, cash and bank balances and trade and other receivables.

Financial liabilities of the Group include trade and other payables and borrowings.

Financial assets and financial liabilities of the Company also include amounts due from subsidiaries and amount due a to subsidiary respectively.

Notes To The Financial Statements

31 March 2013 (cont'd)

34. FINANCIAL INSTRUMENTS (CONT'D)

A. Categories of Financial Instruments

Financial assets as per statements of financial position

2013	**Group**		**Company**	
	Carrying amount RM'000	**Loans and receivables RM'000**	**Carrying amount RM'000**	**Loans and receivables RM'000**
Trade receivables	21,664	21,664	-	-
Other receivables	747	747	11	11
Deposits, cash and bank balances	27,431	27,431	17,703	17,703
Amounts due from subsidiaries	-	-	6,213	6,213
	49,842	49,842	23,927	23,927

2012	**Group**		**Company**	
	Carrying amount RM'000	**Loans and receivables RM'000**	**Carrying amount RM'000**	**Loans and receivables RM'000**
Trade receivables	23,579	23,579	-	-
Other receivables	448	448	33	33
Deposits, cash and bank balances	27,747	27,747	18,835	18,835
Amounts due from subsidiaries	-	-	5,073	5,073
	51,774	51,774	23,941	23,941

Financial liabilities as per statements of financial position

2013	**Group**		**Company**	
	Carrying amount RM'000	**Other financial liabilities measured at amortised cost RM'000**	**Carrying amount RM'000**	**Other financial liabilities measured at amortised cost RM'000**
Trade payables	8,317	8,317	-	-
Other payables	2,539	2,539	424	424
Amount due to a subsidiary	-	-	59	59
Borrowings	3,171	3,171	94	94
	14,027	14,027	577	577

Notes To The Financial Statements
31 March 2013 (cont'd)

34. FINANCIAL INSTRUMENTS (CONT'D)

A. Categories of Financial Instruments (Cont'd)

2012	**Group**		**Company**	
	Carrying amount RM'000	**Other financial liabilities measured at amortised cost RM'000**	**Carrying amount RM'000**	**Other financial liabilities measured at amortised cost RM'000**
Trade payables	5,747	5,747	-	-
Other payables	2,899	2,899	481	481
Borrowings	3,090	3,090	135	135
	11,736	11,736	616	616

B. Fair Value of Financial Instruments

(i) Fair value of financial instruments that are not carried at fair value and whose carrying amounts are not reflective of fair value

	Group and Company	
	Carrying Amount RM'000	**Fair Value RM'000**
Financial Liabilities		
At 31 March 2013:		
Hire purchase payables (Note 26)	94	88
At 31 March 2012:		
Hire purchase payables (Note 26)	135	133

(ii) Financial instruments that are not carried at fair value and whose carrying amounts are reflective of fair value

The carrying amounts of deposits, cash and bank balances, receivables and payables and short term bank overdraft, banker acceptances and other borrowing approximate their fair values due to the relatively short term nature of these financial instruments. The carrying amount of non-current portion of other borrowing approximate its fair value.

The carrying amounts of balances with subsidiaries approximate their fair values.

Notes To The Financial Statements

31 March 2013 (cont'd)

35. 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 the financial risks to which the Group is exposed and to minimise or avoid the incidence of loss that may result from its exposure to such risks and to enhance returns where appropriate. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the current and previous year, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(a) Interest rate risk

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.

The Group has interest rate risk in respect of deposits with licensed commercial banks, hire purchase payables, banker acceptance, bank overdraft facility and other borrowing.

The Group's deposits with licensed commercial banks, hire purchase payables and other borrowing are based on fixed rates. The Group's bank overdraft and banker acceptances facilities are based on floating rate.

Market interest rates movements are monitored with a view to ensuring that the most competitive rates are secured and where appropriate borrowing arrangements and interest bearing deposits are restructured or reduced.

Sensitivity analysis for interest rate risk

As the Group's deposits with licensed commercial banks, hire purchase payables and other borrowing as at the end of the reporting period are based on fixed rates, a change in interest rates at the end of the reporting period would not affect profit or loss or equity. In relation to the bank overdraft and banker acceptances facilities of the Group, a change of interest rate at the end of the reporting period will not have any material impact to the Group.

(b) 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 Dollar (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 Assets/ (Liabilities) Held in Non-Functional Currencies			
	Euro Dollar (EUR) RM'000	United States Dollar (USD) RM'000	Singapore Dollar (SGD) RM'000	Total RM'000
At 31 March 2013				
Ringgit Malaysia	(119)	(241)	-	(360)
At 31 March 2012				
Ringgit Malaysia	-	567	(147)	420

Notes To The Financial Statements
31 March 2013 (cont'd)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Foreign currency risk (cont'd)

Foreign currency risk sensitivity analysis

A 10 percent strengthening or weakening of the EUR, USD and SGD against the Ringgit Malaysia currency at the end of the reporting period would have increased or decreased profit or loss and equity by the amount shown below. This analysis assumes all other variables remain constant.

	Group 2013 RM'000	Group 2012 RM'000
EUR	12	-
USD	24	57
SGD	-	15

(c) 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.

Maturity analysis

The maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments are as follows :-

Group

	Maturity Profile			
	Less than 1 year RM'000	More than 1 year and less than 5 years RM'000	Total RM'000	Effective interest rate %
2013				
Financial liabilities				
Trade payables	8,317	-	8,317	-
Other payables	2,539	-	2,539	-
Hire purchase payables	45	53	98	4.20%
Bank overdraft	733	-	733	7.85%
Other borrowings	974	1,704	2,678	7.15%
	12,608	1,757	14,365	
2012				
Financial liabilities				
Trade payables	5,747	-	5,747	-
Other payables	2,899	-	2,899	-
Hire purchase payables	45	99	144	4.20%
Bank overdraft	963	-	963	7.85%
Banker acceptances	1,992	-	1,992	3.18% - 4.53%
	11,646	99	11,745	

Notes To The Financial Statements

31 March 2013 (cont'd)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity risk (cont'd)

Company

	Maturity Profile			
	Less than 1 year RM'000	**More than 1 year and less than 5 years RM'000**	**Total RM'000**	**Effective interest rate %**
2013				
Financial liabilities				
Other payables	424	-	424	-
Hire purchase payables	45	53	98	4.20%
	469	53	522	
2012				
Financial liabilities				
Other payables	481	-	481	-
Hire purchase payables	45	99	144	4.20%
	526	99	625	

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group minimise credit risk by dealing exclusively with high credit rating counter parties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. 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, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group does not offer credit terms without the approval of the Chief Financial Officer.

Information on the ageing and impairment of trade receivables is disclosed in Note 21.

The Group's maximum exposure to credit risk at the end of the reporting period is represented by the carrying amount of the financial assets recognised in the statements of financial position.

None of the Group's financial assets are secured by collateral or other credit enhancements.

The Group determines concentration of credit risk by monitoring customer industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date is as follows:

	2013 RM'000	**2012 RM'000**
By industry sectors:		
Government agencies and linked corporations	7,923	13,389
Private corporations	13,741	10,190
	21,664	23,579

As at the financial year end, approximately 25% (2012: 53%) of trade receivables are from 4 (2012: 5) major customers who are government agencies and government linked corporations.

Notes To The Financial Statements
31 March 2013 (cont'd)

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maintain an optimal capital structure in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in accordance to changes in economic condition. To maintain or adjust its capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using debt to equity ratio, which is total debt divided by total equity. The Group includes within total debt, borrowings, trade and other payables. Capital includes equity attributable to the owners of the Company.

The debt to equity ratio as at 31 March 2013 and 31 March 2012 are as follows:

	Group 2013	2012
Total debts (RM'000)	16,460	15,138
Equity attributable to the owners of the Company, representing total capital (RM'000)	39,688	44,651
Debts to equity ratio	41%	34%

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) IT related products and services
(ii) Payment solutions & services

Business Segments

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

31 March 2013

	IT related products and services RM'000	Payment solutions & services RM'000	Elimination RM'000	Group RM'000
Revenue				
External sales	51,580	1,823	-	53,403
Intersegment sales	227	-	(227)	-
Total revenue	51,807	1,823	(227)	53,403

Notes To The Financial Statements

31 March 2013 (cont'd)

37. SEGMENTAL INFORMATION (CONT'D)

31 March 2013 (Cont'd)

	IT related products and services RM'000	Payment solutions & services RM'000	Elimination RM'000	Group RM'000
RESULTS				
Segment loss	(4,397)	(531)	5,404	476
Interest income				640
Unallocated expenses				(5,895)
Loss from operations				(4,779)
Interest expense				(125)
Loss before tax				(4,904)
Taxation				(37)
Loss after tax				(4,941)
OTHER INFORMATION				
Segment assets	42,813	2,552	-	45,365
Unallocated assets				11,447
Total assets				56,812
Segment liabilities	14,118	1,854	-	15,972
Unallocated liabilities				525
Total liabilities				16,497
Capital expenditure	307	36	-	343
Depreciation and amortisation	749	552	-	1,301
Plant and equipment written off	6	-	-	6

Notes To The Financial Statements
31 March 2013 (cont'd)

37. SEGMENTAL INFORMATION (CONT'D)

31 March 2012

	IT related products and services RM'000	Payment solutions & services RM'000	Elimination RM'000	Group RM'000
Revenue				
External sales	57,556	2,614	-	60,170
Intersegment sales	354	-	(354)	-
Total revenue	57,910	2,614	(354)	60,170
RESULTS				
Segment loss	(4,919)	(100)	4,345	(674)
Interest income				845
Unallocated expenses				(4,952)
Loss from operations				(4,781)
Interest expense				(113)
Loss before tax				(4,894)
Taxation				(2,879)
Loss after tax				(7,773)
OTHER INFORMATION				
Segment assets	41,280	4,300	-	45,580
Unallocated assets				14,838
Total assets				60,418
Segment liabilities	12,802	1,739	-	14,541
Unallocated liabilities				624
Total liabilities				15,165
Capital expenditure	119	74	-	193
Depreciation and amortisation	841	635	-	1,476
Plant and equipment written off	43	11	-	54
Allowance for impairment loss on receivables	5	-	(5)	-
Bad debts written off	24	-	-	24

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

Capital expenditure comprise additions to plant and equipment (Note 13), intangible assets (Note 15) including those resulting from acquisitions.

Notes To The Financial Statements
31 March 2013 (cont'd)

38. COMPARATIVE FIGURES

Certain comparative figures in Note 37, segmental information have been restated where necessary to conform with the current year's presentation as detailed below :-

	As previously reported		As restated
	Technology and solutions integration RM'000	Managed services RM'000	IT related products and services RM'000
Revenue			
External sales	37,184	20,372	57,556
Intersegment sales	20,146	1,565	354
Total revenue	57,330	21,937	57,910
RESULTS			
Segment loss	(624)	(4,295)	(4,919)
OTHER INFORMATION			
Segment assets	36,283	4,997	41,280
Segment liabilities	10,060	2,742	12,802
Capital expenditure	44	75	119
Depreciation and amortisation	345	496	841
Plant and equipment written off	-	43	43
Allowance for impairment loss on receivables	5	-	5
Bad debts written off	24	-	24

The restatement of the segmental information for the comparatives is due to the change in the reportable segments for the current financial year arising from a change in the Group's organisation structure.

The categorisation of the Group's revenue for the previous financial year as disclosed in Note 4 has also been amended to follow the aforesaid restatement of segment revenue.

Notes To The Financial Statements

31 March 2013 (cont'd)

39. SUPPLEMENTARY INFORMATION - BREAKDOWN OF ACCUMULATED LOSSES INTO REALISED AND UNREALISED

The breakdown of the accumulated losses of the Group and of the Company as at the reporting date into realised and unrealised profits or losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Total accumulated losses				
- Realised accumulated losses	(151,158)	(145,027)	(51,764)	(51,637)
- Unrealised accumulated losses	-	(1,305)	-	-
	(151,158)	(146,332)	(51,764)	(51,637)
Less: Consolidation adjustments	103,084	103,224	-	-
Accumulated losses as per financial statements	(48,074)	(43,108)	(51,764)	(51,637)

Statement By Directors

Pursuant To Section169(15) Of The Companies Act, 1965

We, Tan Sri Datuk Adzmi bin Abdul Wahab and Ahmad Rizan bin Ibrahim, 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 43 to 92 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 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 2013 and of their financial performance and cash flows for the financial year then ended.

The information set out in Note 39 to the financial statements on page 93 have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 31 May 2013.

Tan Sri Datuk Adzmi bin Abdul Wahab
Chairman

Ahmad Rizan bin Ibrahim
Chief Executive Officer

Date : 31 May 2013

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 43 to 92 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.

Subscribed and solemnly declared by the abovenamed,
Tan Hock Chye at Petaling Jaya, Selangor Darul Ehsan
on 31 May 2013

Tan Hock Chye

Before me,

Commissioner for Oaths

Independent Auditors' Report

To The Members Of Dataprep Holdings Bhd. (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Dataprep Holdings Bhd., which comprise the statements of financial position as at 31 March 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 43 to 92.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2013 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following :-

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

(b) We have considered the financial statements and the auditors' report of the subsidiaries of which we have not acted as auditors, which are indicated in Note 16 to the financial statements.

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

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Independent Auditors' Report

To The Members Of Dataprep Holdings Bhd. (Incorporated in Malaysia) (cont'd)

Other Reporting Responsibilities

The supplementary information set out in Note 39 on page 93 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

FOLKS DFK & CO.
FIRM NO. : AF 0502
CHARTERED ACCOUNTANTS

OOI CHEE KUN
NO : 996/03/14(J/PH)
CHARTERED ACCOUNTANT

Kuala Lumpur

Date : 31 May 2013

Statistics on Shareholdings

As At 28 June 2013

Class of shares : Ordinary shares of RM0.25 each

Voting Rights : One vote per shareholder on a show of hands
One vote per share on a poll

Analysis By Size of Shareholdings

Size of Shareholdings	No. of Holders	%	No. of Shares	%
Less than 100	116	2.28	4,734	0.00
100 - 1,000	1,479	29.12	994,688	0.26
1,001 - 10,000	2,029	39.94	10,418,122	2.72
10,001 - 100,000	1,271	25.02	44,864,955	11.71
100,001 to less than 5% of issued shares	184	3.62	123,419,647	32.22
5% and above of issued shares	1	0.02	203,385,046	53.09
Total	**5,080**	**100.00**	**383,087,192**	**100.00**

Directors' Shareholdings

No.	Name of Directors	No. of Share Direct Interest	%	No. of Shares Indirect Interest	%
1	Tan Sri Datuk Adzmi Bin Abdul Wahab	203,125	0.05	-	-
2	Datuk Lim Chee Wah	1,062,500	0.28	-	-
3	Michael Yee Kim Shing	-	-	-	-
4	Muhammad Fauzi Bin Abd Ghani	-	-	-	-
5	Ahmad Rizan Ibrahim	17,831	0.00	-	-

Substantial Shareholders

No.	Name of Substantial Shareholders	No. of Shares	%
1	VXL Holdings Sdn Bhd	203,385,046	53.09

Statistics on Shareholdings
As At 28 June 2013 (cont'd)

List of thirty (30) Largest Shareholders as at 28 June 2013

No.	Name	No. of Shares	%
1	VXL HOLDINGS SDN BHD	203,385,046	53.09
2	SEBERANG JATI SDN BHD	17,439,662	4.55
3	RUMPUN DAMAI SDN BHD	11,407,460	2.98
4	RHB NOMINEES (ASING) SDN BHD PARCO RESOURCES CORP	7,959,650	2.08
5	AMSEC NOMINEES (ASING) SDN BHD VIELLE INTERNATIONAL LTD	7,812,400	2.04
6	RHB NOMINEES (ASING) SDN BHD THE KERMARTIN GROUP INC	7,686,000	2.01
7	CIMSEC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAUWI INCORPORATED	7,560,800	1.97
8	LAU KOK SENG	5,600,600	1.46
9	LAI YOOK CHIN	5,000,775	1.31
10	M & S FOOD INDUSTRIES SDN. BHD.	3,167,600	0.83
11	ONG GIK LAN @ ONG GAIK LAN	2,185,200	0.57
12	LAU CHOW FOW	1,900,000	0.50
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI YOOK CHIN	1,843,100	0.48
14	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH SUN WAI (MUTIARA BRANCH)	1,322,778	0.35
15	GOH CHENG HOE	1,200,000	0.31
16	GOH CHENG HOE	1,200,000	0.31
17	LIM CHEE WAH	1,062,500	0.28
18	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN FOONG CHENG (TMN CHERAS-CL)	856,000	0.22
19	TOI AH LEK	820,000	0.21
20	UPSTREAM DOWNSTREAM PROCESS & SERVICES SDN. BHD.	800,000	0.21
21	SAM FONG @ CHAN SAM FONG	730,000	0.19
22	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG SHU KONG (E-KKU)	684,800	0.18
23	CHE MAT DIN BIN ISMAIL	600,000	0.16
24	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KA KIAT	600,000	0.16
25	TAN CHEE CHIN	571,258	0.15
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHIENG YU KUI	550,000	0.14
27	MIRZAN BIN MAHATHIR	501,000	0.13
28	CHENG KIN YIN	500,000	0.13
29	ECML NOMINEES (TEMPATAN) SDN. BHD PLEDGED SECURITIES ACCOUNT FOR CHAM HAK LIM (021)	500,000	0.13
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN YAU PENG (E-TAI)	500,000	0.13
	Total	**295,946,629**	**77.25**

Proxy Form

DATAPREP
Since 1971

No. of shares held	

I/We ______________________________

Of ______________________________

Tel No. ______________________________ beinga 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 Twenty-Fourth Annual General Meeting of the Company to be held at Greens III Function Room, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 16 August 2013 at 10.00 a.m. and any adjournment thereof, and to vote as indicated below:

	Resolution	**For**	**Against**
1	To re-elect Encik Muhammad Fauzi Bin Abd Ghani, who retires by rotation pursuant to Article 98 of the Company's Articles of Association. ***(RESOLUTION 1)***		
2	To re-appoint Tan Sri Datuk Adzmi bin Abdul Wahab who retires pursuant to Section 129(6) of the Companies Act, 1965 ***(RESOLUTION 2)***		
3	To re-appoint Mr. Michael Yee Kim Shing who retires pursuant to Section 129(6) of the Companies Act, 1965 ***(RESOLUTION 3)***		
4	To re-appoint Messrs. Folks DFK & Co, the retiring auditors, for the ensuing year and to authorize the Directors to fix their remuneration ***(RESOLUTION 4)***		
5	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965 ***(RESOLUTION 5)***		
6	Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature ***(RESOLUTION 6)***		
7	Proposed new mandate for additional recurrent related party transactions of a revenue or trading nature ***(RESOLUTION 7)***		
8	To retain Mr. Michael Yee Kim Shing as Independent Non-Executive Director ***(RESOLUTION 8)***		
9	To retain Encik Muhammad Fauzi Bin Abd Ghani as Independent Non-Executive Director ***(RESOLUTION 9)***		
10	Proposed Amendments to Articles of Association ***(RESOLUTION 10)***		
11	To consider any other business of which due notice shall have been given.		

(Please indicate with an (X) or (√) on the way you wish to cast your vote).

Signed this ______________ day of ____________ 2013

The proportions of *my/our holding to be represented by *my/our proxies are as follows:-

	Shares	%
First Proxy		
Second Proxy		
Total		

____
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

THE COMPANY SECRETARY

DATAPREP HOLDINGS BHD

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

Dataprep
Since 1971

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

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