

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

**SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2010**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		[31/12/2010] RM'000	[31/12/2009] RM'000	[31/12/2010] RM'000	[31/12/2009] RM'000
1	Revenue	19,245	11,345	52,162	32,126
2	Profit/(loss) before tax	111	(1,747)	382	(5,852)
3	Profit/(loss) for the period	50	(1,729)	227	(5,837)
4	Profit/(loss) attributable to ordinary equity holders of the Parent	57	(1,924)	150	(5,799)
5	Basic profit/(loss) per share (sen)	0.01	(0.50)	0.04	(1.58)
6	Proposed/Declared Dividend per share (sen)	-	-	-	-
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share owners of the parent (RM)		0.14		0.14

ADDITIONAL INFORMATION

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		[31/12/2010] RM'000	[31/12/2009] RM'000	[31/12/2010] RM'000	[31/12/2009] RM'000
1	Gross interest income	235	179	597	478
2	Gross interest expense	41	15	88	45

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2010**

	<i>Unaudited</i>	<i>Unaudited and Not Restated</i>	<i>Unaudited</i>	<i>Unaudited and Not Restated</i>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	[31/12/2010] RM'000	[31/12/2009] RM'000	[31/12/2010] RM'000	[31/12/2009] RM'000
Revenue	19,245	11,345	52,162	32,126
Operating Expenses	(19,380)	(13,292)	(52,430)	(38,503)
Other Operating Income	287	215	738	570
Profit/(loss) from operations	152	(1,732)	470	(5,807)
Finance costs	(41)	(15)	(88)	(45)
Profit/(loss) before tax	111	(1,747)	382	(5,852)
Taxation	(61)	18	(155)	15
Profit/(loss) after tax	50	(1,729)	227	(5,837)
Other Comprehensive (Loss)/Income: Foreign currency translation differences	(2)	(5)	(2)	1
Other comprehensive (loss)/income for the period, net of tax	(2)	(5)	(2)	1
Total Comprehensive Profit/(Loss) for the period	48	(1,734)	225	(5,836)
Attributed to :				
Owners of the parent	57	(1,924)	150	(5,799)
Minority interest	(7)	195	77	(38)
	50	(1,729)	227	(5,837)
Total comprehensive profit/(loss) attributable to:				
Owners of the parent	55	(1,929)	148	(5,798)
Minority interest	(7)	195	77	(38)
	48	(1,734)	225	(5,836)
Earnings/(loss) per share :				
- basic (sen)	0.01	(0.50)	0.04	(1.58)
- diluted (sen)	N/A	N/A	N/A	N/A

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
Net assets per share (RM)	0.14	0.14

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	As at 31.12.2010 Unaudited RM'000	As at 31.03.2010 Audited & Not Restated RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,171	4,706
Goodwill on consolidation	104	104
Intangible assets	404	394
Other Investments	91	91
Deferred tax assets	2,806	2,810
	<u>7,576</u>	<u>8,105</u>
Current Assets		
Development cost	567	271
Inventories	3,133	1,095
Trade receivables	25,927	18,070
Other receivables	6,084	1,947
Tax recoverable	-	112
Deposits, cash and bank balances	32,395	32,381
	<u>68,106</u>	<u>53,876</u>
Total assets	<u>75,682</u>	<u>61,981</u>
Equity attributable to owners of the Parent		
Share capital	95,772	95,772
Share premium	5,488	5,488
Merger deficit	(13,509)	(13,509)
Foreign exchange reserve	12	14
Capital reserve	51	51
Accumulated losses	(34,157)	(34,307)
	<u>53,657</u>	<u>53,509</u>
Minority interest	<u>1,418</u>	<u>1,341</u>
Total equity	<u>55,075</u>	<u>54,850</u>
Non-current liabilities		
Long term borrowings	141	173
	<u>141</u>	<u>173</u>
Current Liabilities		
Trade payables	13,361	3,334
Other payables	4,100	3,587
Short term borrowings	3,003	37
Provision for taxation	2	-
Total current liabilities	<u>20,466</u>	<u>6,958</u>
Total liabilities	<u>20,607</u>	<u>7,131</u>
Total equity and liabilities	<u>75,682</u>	<u>61,981</u>
 Net assets per share (RM)	 <u>0.14</u>	 <u>0.14</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2010**

	<-----Attributable to the equity holders of the Company----->			<-----Non-distributable----->		
	Share Capital RM'000	Share premium RM'000	Merger deficit RM'000	Foreign exchange reserve RM'000	Capital reserve RM'000	Accumulated losses RM'000
At 1 April 2010	95,772	5,488	(13,509)	14	51	(34,307)
Total comprehensive income for the period	-	-	-	(2)	-	150
At 31 December 2010	95,772	5,488	(13,509)	12	51	(34,157)
At 1 April 2009	89,037	5,488	(13,509)	11	51	(28,621)
Issues of new ordinary shares arising from warrants conversion	6,735	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	1	-	(5,799)
At 31 December 2009	95,772	5,488	(13,509)	12	51	(34,420)

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2010**

	Nine Months Ended	
	31.12.2010	31.12.2009
	RM'000	RM'000
Cash Flow from Operating Activities		
Profit/(loss) before tax	382	(5,852)
Adjustment for :-		
Non-cash items	1,340	2,589
Non-operating items	(509)	(433)
Operating profit/(loss) before working capital changes	1,213	(3,696)
Changes in working capital	(3,715)	1,548
Cash used in operations	(2,502)	(2,148)
Tax (paid) / refund	(35)	158
Interest received	474	350
Interest paid	(88)	(106)
Net cash used in operating activities	(2,151)	(1,746)
Cash flow from Investing Activities		
Acquisition of plant and equipment and intangible assets	(837)	(812)
Proceeds from disposal of plant and equipment	68	82
Proceeds from disposal of other investments	-	45
Net cash used in investing activities	(769)	(685)
Cash flow from Financing Activities		
Drawdown of borrowings	2,965	-
Payment of hire purchase liabilities	(31)	(147)
Proceeds from the issuance of ordinary shares	-	6,735
Net cash from financing activities	2,934	6,588
Net increase in cash and cash equivalents	14	4,157
Cash and cash equivalents at beginning of the year	32,381	32,175
Cash and cash equivalents at end of the period	32,395	36,332
Cash and cash equivalents at end of the financial period comprise the following:		
	As at 31.12.2010	As at 31.12.2009
	RM'000	RM'000
Deposits with licensed commercial banks	29,545	33,998
Cash and bank balances	2,850	2,334
Cash and cash equivalents	32,395	36,332

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statements.

1. Basis of preparation

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

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 March 2010. The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 March 2010 except for the adoption of the following new and revised Financial Reporting Standards (“FRS”), Amendments to FRSs and IC Interpretations :.

(a) Effective for financial periods beginning on or after 1 July 2009

FRS 8 : Operating Segments

(b) Effective for financial periods beginning on or after 1 January 2010

FRS 4: Insurance Contracts

FRS 7: Financial Instruments: Disclosures

FRS 101: Presentation of Financial Statements (revised)

FRS 123: Borrowing Costs

FRS 139: Financial Instruments: Recognition and Measurement

Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations

Amendment to FRS 5: Non-current Assets Held for Sale and Discontinued Operations

Amendment to FRS 8: Operating Segments

Amendment to FRS 107: Statement of Cash Flows

Amendment to FRS 108: Accounting Policies, Changes in Accounting Estimates and Errors

Amendment to FRS 117: Leases

Amendment to FRS 119: Employee Benefits

Amendment to FRS 120: Accounting for Government Grants and Disclosure of Government Assistance

Amendment to FRS 123: Borrowing Costs

Amendment to FRS 127: Consolidated and Separate Financial Statements

Amendment to FRS 128: Investments in Associates

Amendment to FRS 129: Financial Reporting in Hyperinflationary Economies

Amendment to FRS 131: Interests in Joint Ventures

Amendment to FRS 132: Financial Instruments: Presentation

Amendment to FRS 134: Interim Financial Reporting

Amendment to FRS 136: Impairment of Assets

Amendment to FRS 138: Intangible Assets

Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives

Amendment to FRS 140: Investment Property

1. Basis of preparation (cont'd)

(b) Effective for financial periods beginning on or after 1 January 2010 (cont'd.)

Amendments to FRSs 'Improvements to FRSs (2009)'

IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 10: Interim Financial Reporting and Impairment

IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions

IC Interpretation 13: Customer Loyalty Programmes

IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

(c) Effective for financial periods beginning on or after 1 July 2010

FRS 1: First-time Adoption of Financial Reporting Standards (revised)

FRS 3: Business Combinations (revised)

FRS 127: Consolidated and Separate Financial Statements (amended)

Amendments to FRS 2: Share-based Payment

Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS 138: Intangible Assets

IC Interpretation 12: Service Concession Arrangements

IC Interpretation 15: Agreements for the Construction of Real Estate

IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17: Distributions of Non-cash Assets to Owners

Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

(d) Effective for financial periods beginning on or after 1 July 2011

Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
(Amendment to FRS 1)

Additional Exemptions for First-time Adopters (Amendments to FRS 1)

Improving Disclosures about Financial Instruments (Amendments to FRS 7)

IC Interpretation 4: Determining whether an Arrangement contains a Lease

IC Interpretation 18: Transfers of Assets from Customers

The adoption of the above new FRSs, Amendments to FRSs and IC Interpretations did not have any material financial impact on the Group upon their initial application other than as stated below;

FRS 8 - Operating Segments

The above FRS replaces FRS114²⁰⁰⁴ Segment Reporting. The new standard requires a “management approach”, under which segment information is presented on the same basis as that used for internal reporting purposes that are regularly reviewed by the Group’s chief operating decision maker. The Group presents its segment information based on its business segments, which is also the basis of presenting its internal management reports. The Group concluded that to conform with this standard, it would dissect the segment previously known as Information and Communication Technology Solutions and Services into two separate identifiable segments namely Infrastructure Solutions and Managed Services. The new disclosures are presented in Note 8. Comparatives are not restated.

FRS 7 – Financial Instruments : Disclosures

Prior to the adoption of FRS 7, the disclosures for financial instruments were based on requirements of the original FRS 132 : Financial Instruments: Disclosures and Presentation. This standard requires additional disclosures regarding the fair value measurement and liquidity risk in the full year financial statements, and has no effect on reported profit or equity. However, FRS 7 disclosure are not required in the interim financial statements, and hence, no further disclosures have been made in these interim financial statements

FRS 139 Financial Instruments : Recognition and Measurement

This adoption of FRS 139 has resulted in changes to the accounting policies relating to recognition and measurement of financial instrument. A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument. A financial instrument is recognized initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition or issue of the financial instruments.

(a) Financial Assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available for sale financial assets or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group financial assets include cash and short-term deposits, loans and receivables and available for sale investments.

Loans and receivables

Prior to 1 April 2010, loans and receivables were stated at gross proceeds receivables less provision for doubtful debts. Under FRS 139, loans and receivables that are non-current in nature, are measured at fair value plus transaction costs initially and subsequently, at amortised cost using the effective interest method. Any gains or losses are recognized in the consolidated income statement when the loans and receivables are derecognized, impaired or through the amortization process.

Prior to 1 April 2010, allowance for doubtful debts were recognized when collections from specific customer is in doubt. Upon the adoption of FRS 139, an impairment loss is recognized when there is objective evidence that an impairment loss has been incurred. The amount of loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. The Group has re-measured the allowance for impairment losses as at 1 April 2010 in accordance with FRS 139 and this standard did not have any significant impact on the financial position and results of the Group.

(b) Financial Liabilities

Financial liabilities are initially recognized at fair value through profit or loss. All financial liabilities are subsequently measured at amortised cost other than those categorized as fair value through profit of loss. The Group's financial liabilities include trade and other payables and borrowings.

There were no significant impact to the interim financial report as a result of adoption of FRS139.

FRS 101 – Presentations of Financial Statements (revised)

The revised FRS 101 requires changes in the format of the financial statements including the amounts directly attributable to shareholders in the primary statements, but does not affect the measurement of reported profit or equity. This standard also introduces the statement of comprehensive income, with all items of income and expense recognized directly in equity, either in one single statement, or in two statements. The Group has elected to present the statement of comprehensive income in single statement.

This revised FRS does not have any impact on the financial position and results of the Group.

2. Audit qualification of the preceding annual financial statement

The Auditors' Report of the most recent Group's Annual Financial Statements for the financial year ended 31 March 2010 was not subject to any qualification.

3. Seasonality or cyclical of the operations

The Group does not experience any seasonal or cyclical sales cycle. However, there may be fluctuations between the quarters due to the nature of the system integration businesses which are secured on a project by project basis.

4. Material unusual items

There were no material unusual or exceptional items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

5. Changes in estimates

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

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

For the current quarter, there were no cancellation, repurchase, resale and repayment of debt and equity securities.

7. Dividend paid

No dividend was paid by the Company since the end of the previous financial year.

8. Segmental information

The Group's segmental reporting by business segment is reflected below -

	Infrastructure Solutions	Managed Services	Payment Solutions & Services	Consolidation Adjustments	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
SALES	30,788	21,840	2,001	(2,467)	52,162
Segment Results	932	(223)	129	(560)	278
Interest Income					597
Unallocated Expenses					(405)
Profit from Operations					470
Finance Cost					(88)
Profit before taxation					382
Taxation					(155)
Profit after taxation					227

9. Valuation of property, plant and equipment

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

10. Significant events

Two dormant subsidiaries were placed under Members' Voluntary winding up with effect from 17 February 2011.

11. Effects of changes in the composition of the Group

There were no material changes in the composition of the Group since the previous financial year ended 31 March 2010, except as disclosed in Note 10 above.

12. Changes in contingent liabilities (unsecured)

Unsecured Contingent Liabilities :-	Group		
	31.12.10 RM'000	31.03.10 RM'000	Increase/ (decrease) RM'000
Corporate guarantee given to financial institutions for:			
- Performance guarantees given to third parties	6,563	4,027	2,536
Total	6,563	4,027	2,536

13. Review of performance

Backed by the strong economic recovery in all major sectors in the country, the Group recorded an 70% growth in revenue of RM19.25 million for the quarter under review compared to RM11.35 million in the corresponding quarter last year. The increase in revenue was mainly due to higher sales order from both public and private sector secured in the current financial year. Consequently, the Group recorded a profit before tax of RM134,000 compared to a loss of RM1.75 million in the same quarter last year.

14. Comparison with immediate preceding quarter

For the current quarter under review, the revenue of RM19.25 million was marginal lower as compared to the immediate preceding quarter of RM19.38 million. Profit before taxation for the current quarter was RM134,000 compared to a profit before tax of RM278,000 recorded in the immediate preceding quarter. The significant decrease in profit before tax amount is mainly due to erosion of gross profit margin as a result from price competitiveness.

15. Prospects

The Group recorded another robust quarter in Q3 FY2011 with revenue of RM 19.25 million. With the rolling out of a number of major projects in Q4 FY2011, the Group is expecting another robust quarter. Barring any unforeseen circumstances, FY2011 will be a better year than FY2010.

16. Variance for profit forecast / Shortfall in profit guarantee

Not applicable.

17. Taxation

	Current Year Quarter ended 31.12.10 RM'000	Current Year-to- date ended 31.12.10 RM'000
Income tax for current period		
- Current period	61	151
Deferred tax		
- Relating to reversal of temporary differences	-	4
Tax expense	61	155

18. Sale of unquoted investments or properties

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

19. Purchase and disposal of quoted securities

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

20. Status of corporate exercise

There was no corporate exercise as at the date of this announcement.

21. Group borrowings

The Group's borrowings as at 31 December 2010 are as follows:

		As at 31.12.10 RM'000	As at 31.03.10 RM'000
Short Term Borrowings:			
Unsecured			
- Hire purchase and finance lease liabilities		38	37
Secured			
- Banker Acceptance		2,965	-
Total Short Term Borrowings	A	3,003	37
Long Term Borrowings:			
Unsecured			
- Hire purchase		141	173
Total Long Term Borrowings	B	141	173
Total Borrowings	(A + B)	3,144	210

All borrowings are denominated in Ringgit Malaysia.

22. Off balance sheet financial instruments

There was no financial instrument with off balance sheet risk as at 31 December 2010.

23. Material litigation

There were no pending material litigation matters as at 31 December 2010.

24. Dividend proposed or declared

The directors do not recommend any dividend for the financial period under review.

25. Earnings per share**(a) Basic**

	Current Year Quarter ended 31.12.10	Current Year- to-date ended 31.12.10
Profit attributable to owners of the parent (RM'000)	57	150
Weighted average number of shares in issue ('000)	383,087	383,087
Basic earnings per share (sen)	0.01	0.04

(b) Diluted

There was no dilution effect on earnings per share for the current period.

26. Capital commitment

The Group has no material capital commitment as at 31 December 2010.

27. Deferred tax assets

	31.12.10 RM'000	31.03.10 RM'000
At 1 April	2,810	2,815
Recognised in income statement	(4)	(5)
At end of the period	2,806	2,810
Presented after appropriate offsetting as follows:		
- Deferred tax assets	3,298	3,304
- Deferred tax liabilities	(492)	(494)
	2,806	2,810

28. Realised and Unrealised Profits/(Losses)

	31.12.10 RM'000	30.09.10 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(127,306)	(127,358)
- Unrealised	2,476	2,477
	(124,830)	(124,881)
Less : Consolidation adjustments	90,673	90,667
Total group accumulated losses as per consolidated accounts	(34,157)	(34,214)

By Order of the Board
Dataprep Holdings Bhd

Pauline Ng Peck Kun
Tan Hock Chye
Company Secretaries
24 February 2011