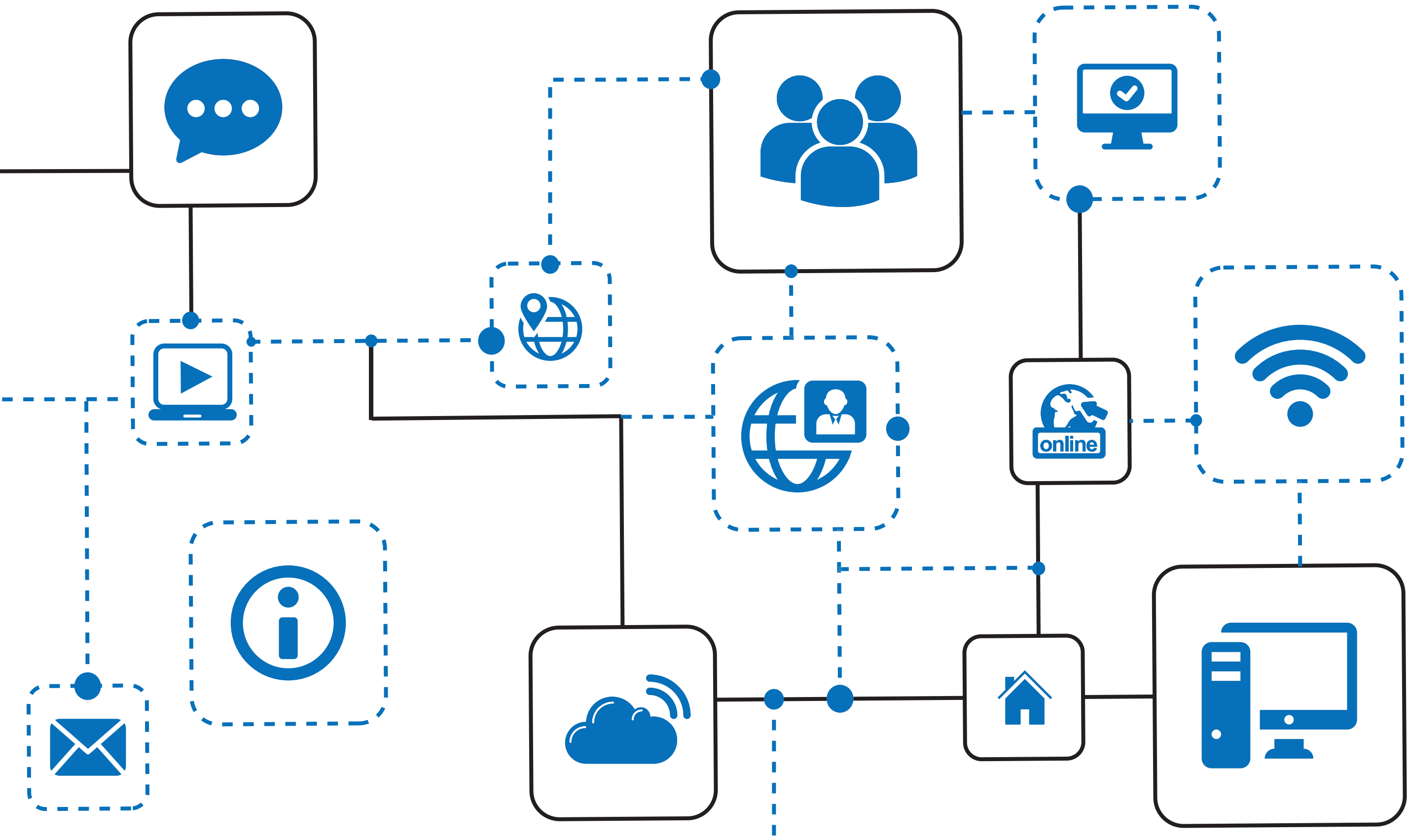
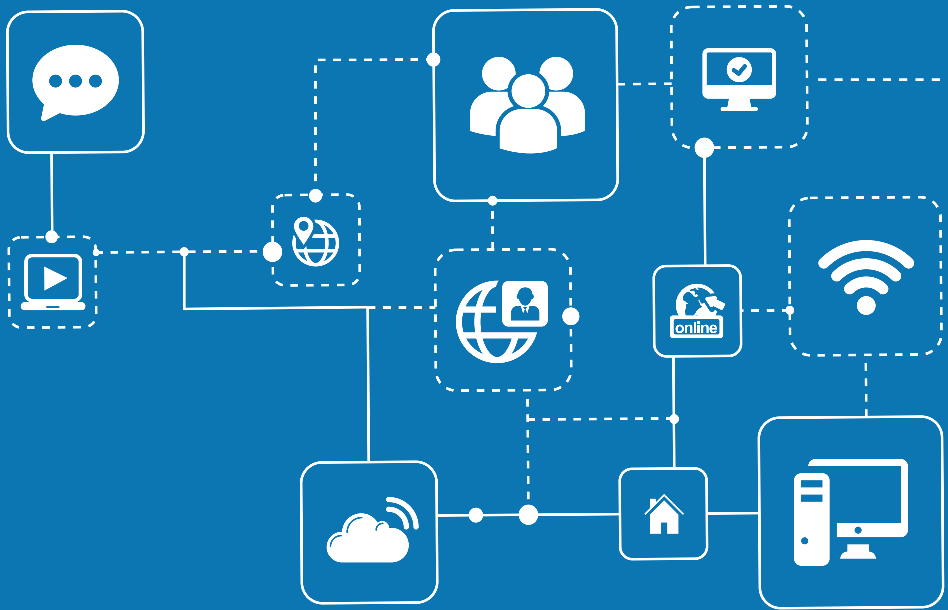
DATAPREP
Since 1971

DATAPREP HOLDINGS BHD.

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



ANNUAL REPORT 2016



CONTENTS

our vision...

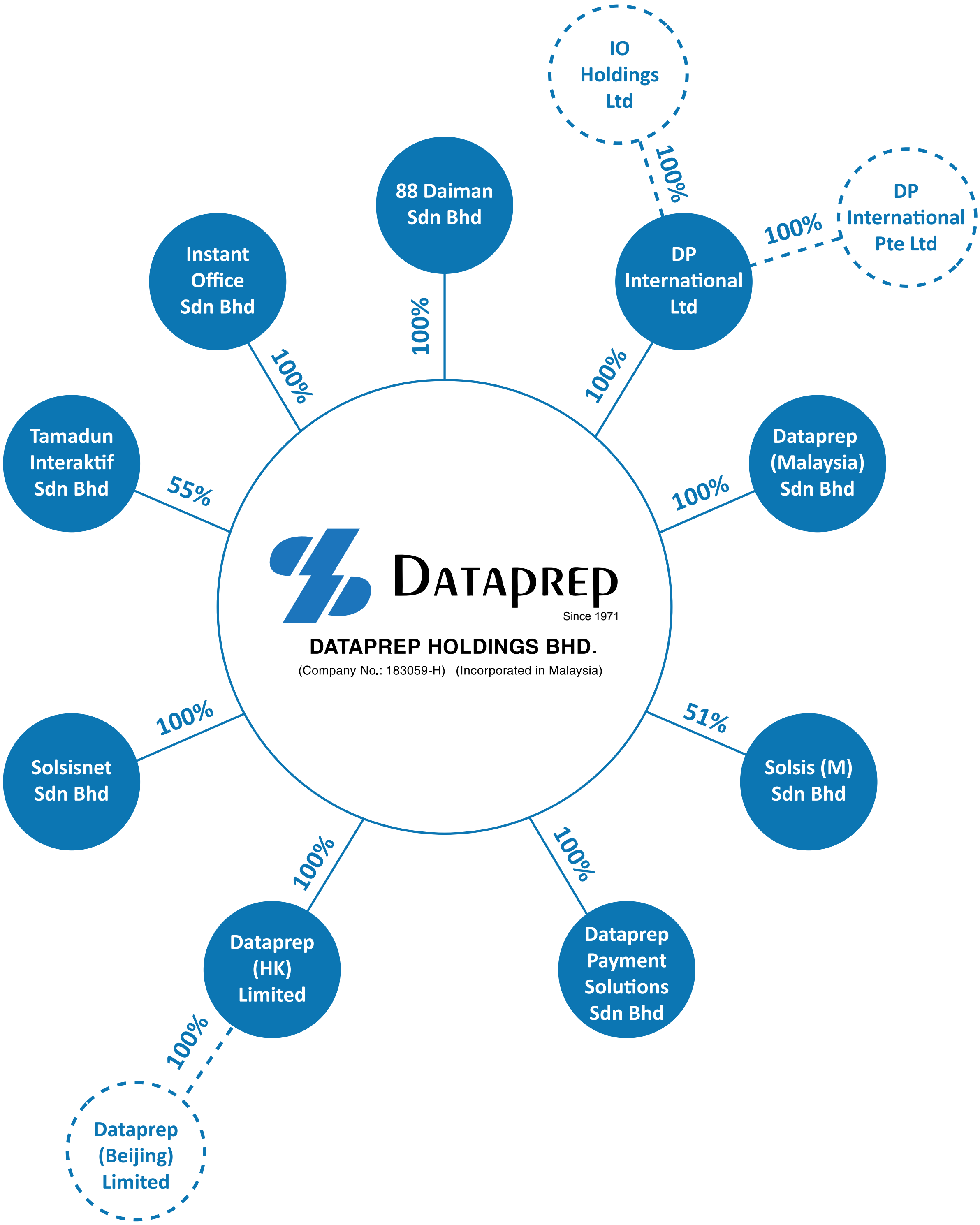
To be a leading regional IT service company providing business and technology solutions and services

our mission...

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

Corporate **Structure**

(as of July 2016)



Notice of the **Annual General Meeting**

NOTICE IS HEREBY GIVEN THAT THE TWENTY-SEVENTH (27TH) ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT DEWAN BERJAYA, BUKIT KIARA RESORT BERHAD, JALAN BUKIT KIARA, OFF JALAN DAMANSARA, 60000 KUALA LUMPUR, ON WEDNESDAY, 17 AUGUST 2016 AT 2.30 P.M. TO TRANSACT THE FOLLOWING BUSINESS:

AS ORDINARY BUSINESS

1. To receive the audited financial statements of the Company and of the Group for the financial year ended 31 March 2016 and the Reports of the Directors and Auditors thereon. **(Please refer to Note 1 of the Explanatory Notes)**

2. To re-elect Mr Tan Hock Chye who retires pursuant to Article 103 of the Company's Articles of Association and being eligible, has offered himself for re-election. **(Ordinary Resolution 1)**

3. To re-elect Mr Yeow Soo Hiang who retires pursuant to with Article 103 of the Company's Articles of Association and being eligible, has offered himself for re-election. **(Ordinary Resolution 2)**

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

   4.1 "THAT pursuant to Section 129(6) of the Companies Act, 1965, Tan Sri Datuk Adzmi Bin Abdul Wahab be re-appointed as a Director of the Company and to hold office until the next Annual General Meeting"; and **(Ordinary Resolution 3)**

   4.2 "THAT pursuant to Section 129(6) of the Companies Act, 1965, Mr Michael Yee Kim Shing be re-appointed as a Director of the Company and to hold office until the next Annual General Meeting". **(Ordinary Resolution 4)**

5. To approve the payment of Directors' Fees of RM129,000 for the financial year ended 31 March 2016. **(Ordinary Resolution 5)**

6. 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 6)**

AS SPECIAL BUSINESS

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

7. **Authority to Directors to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965** **(Ordinary Resolution 7)**

   "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."

Notice of the **Annual General Meeting**

Cont'd

8. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** **(Ordinary Resolution 8)**

   "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 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 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 26 July 2016, 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; 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) the revocation or variation of resolution passed by the shareholders in a general meeting,

   whichever being the earliest;

   AND FURTHER THAT the Directors of the Company and/or any of them be and is/are (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."

9. **Continuation in office as Independent Non-Executive Directors pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012**

   9.1 "THAT approval be and is hereby given to Tan Sri Datuk Adzmi Bin Abdul Wahab 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." **(Ordinary Resolution 9)**

   9.2 "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." **(Ordinary Resolution 10)**

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

BY ORDER OF THE BOARD

TEE LEE LENG (MAICSA 7044742)
GENG MUN MOOI (MIA 8365)
Company Secretaries

Petaling Jaya
26 July 2016

Notice of the **Annual General Meeting**

Cont'd

Notes:-

1. *A member entitled to attend, speak and vote at the 27th Annual General Meeting is entitled to appoint not more than two (2) proxies to attend, speak and vote instead of the member at the meeting. A proxy may but need not be a member of the Company.*

2. *Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holding to be represented by each proxy.*

3. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company.*

4. *The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or the hand of the attorney duly authorised.*

5. *The Form of Proxy shall not be treated as valid unless the posted Form is received or the Form is 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 Darul Ehsan, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. Forms of Proxy transmitted by fax or email will not be accepted. The Company will not accept any photocopies of the form of proxy in place of the original signed copy.*

6. *For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Article 53 of the Articles of Association of the Company, a Record of Depositors as at 10 August 2016 and only a depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting.*

Explanatory Notes

1. *To receive the Audited Financial Statements*

   Agenda item no. 1 is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders and hence, is not put forward for voting.

2. *Ordinary Resolution 5*

   The increased Directors' Fees from RM115,911 in the last financial year ended 31 March 2015 to RM129,000 for the financial year ended 31 March 2016 was due to higher variation of meeting attendance by the Board members, notwithstanding that the rates applicable for each meeting remain unchanged.

   Pursuant to the Paragraph 7.24 of the Main Market Listing Requirements and in compliance with the letter issued by Bursa Malaysia Securities Berhad dated 30 May 2016, the Company wishes to seek the shareholders' approval on the increased Directors' Fees for the financial year ended 31 March 2016.

3. *Ordinary Resolution 7*

   The proposed Ordinary Resolution 7 is for the purpose of seeking a renewal of the General Mandate and if passed, will empower the Directors of the Company pursuant to Section 132D of the Companies Act, 1965, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total issued share capital of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting ("AGM") of the Company.

   This General Mandate will provide flexibility to the Company to undertake any possible fund raising activities, including but not limited to further placing of shares for the 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 was issued pursuant to the mandate granted to the Directors at the last AGM held on 26 August 2015.

Notice of the **Annual General Meeting**

Cont'd

4. *Ordinary Resolution 8*

   The proposed Ordinary Resolution 8, if passed, will enable Dataprep Group 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.

5. *Ordinary Resolutions 9 and 10*

   For proposed Ordinary Resolutions 9 and 10, the Remuneration, Quality & Nominating ("RQN") Committee has assessed the independence of the 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 have fulfilled 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 deliberate the relevant 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 and Board's Committees Meetings;*

   e) *They have contributed sufficient time and effort and attended all the Board and Board's Committees Meetings;*

   f) *They have the calibre, qualifications, experiences and personal qualities to consistently challenge management in an effective and constructive manner; and*

   g) *They monitor and provide objective views on the performance of the Executive Director and management in meeting the agreed goals and objectives.*

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

Details of the Directors who are standing for re-election and re-appointment at this Annual General Meeting, as required under Appendix 8A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are disclosed on pages 12 and 13 of this Annual Report.

Corporate **Information**

BOARD OF DIRECTORS

Chairman :	Tan Sri Datuk Adzmi Bin Abdul Wahab	(Independent Non-Executive Director)
Directors :	Datuk Lim Chee Wah	(Non-Independent Non-Executive Director)
	Michael Yee Kim Shing	(Independent Non-Executive Director)
	Yeow Soo Hiang	(Non-Independent Non-Executive Director)
	Tan Hock Chye	(Non-Independent Executive Director)

COMPANY SECRETARIES

Tee Lee Leng (MAICSA 7044742)
Geng Mun Mooi (MIA 8365)

AUDIT COMMITTEE

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

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

Yeow Soo Hiang
(Non-Independent Non-Executive Director)

REMUNERATION, QUALITY AND NOMINATING COMMITTEE

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

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

Yeow Soo Hiang
(Non-Independent Non-Executive Director)

SHARE REGISTRAR

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

REGISTERED OFFICE

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

PRINCIPAL BANKERS

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

AUDITORS

Messrs. Folks DFK & Co

WEBSITE

www.dp.com.my

Our Solutions & **Services**

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, precision air conditioning, uninterruptible power supply, structured cabling, and protection against 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 data communication & Ethernet networks. The solution helps to consolidate and optimize IT network 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 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.

IT Service Management

Providing solutions to address a complete IT service lifecycle which will enable companies to deliver higher level of services to customers. It provides a single view of all service transactions and provides companies a wealth of decision support tools to continuously monitor the quality of service process.

IT Service Desk

Providing a complete web-based, ITIL-compliant IT Service 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-IT help desk and a set of productive help desk staff.

Our Solutions & **Services**

Cont'd

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 an 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 business by working behind the scenes to manage their IT infrastructure 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 nationwide locations do not have to invest in their own expensive network infrastructure. Our IPVPN Solution from TM allow our customers to have a virtual private network spanning the whole country that is both secure and resilient.

Payment Solutions & Services (PSS)

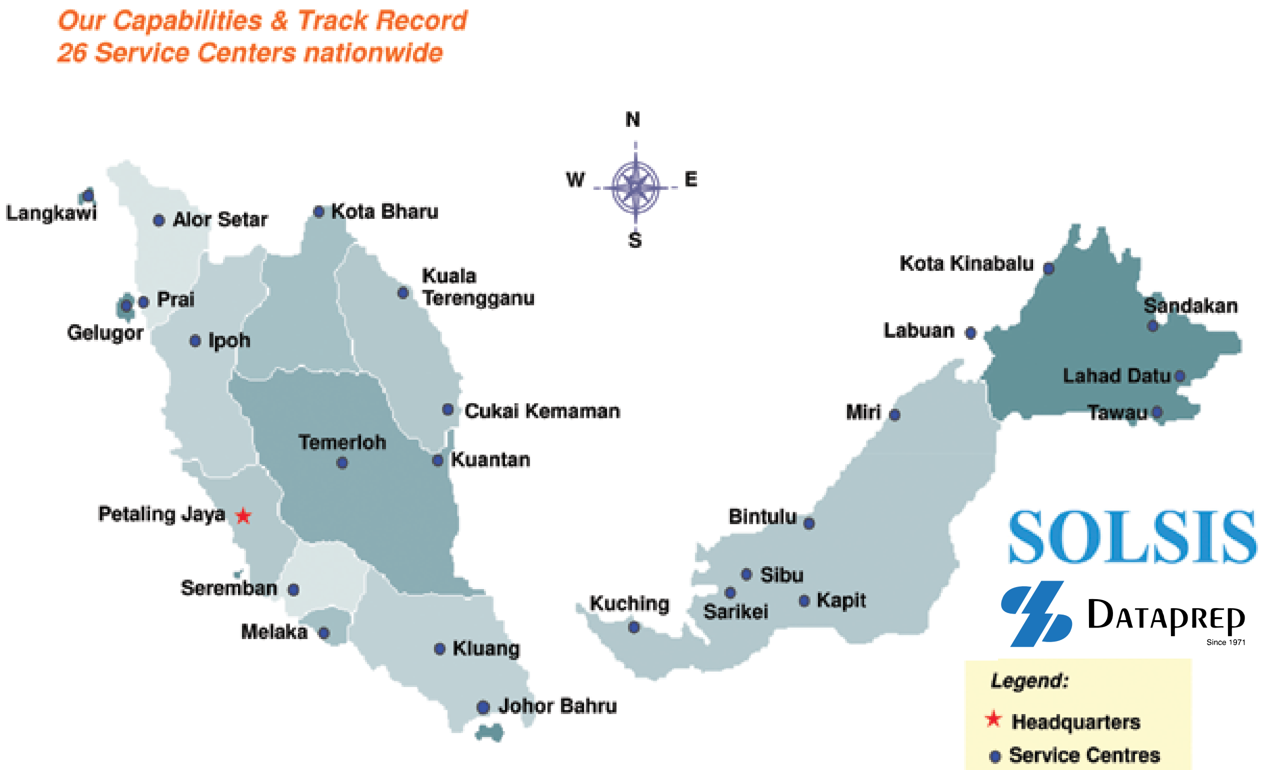
PSS focus is on payment devices which include the supply and maintenance of POS (Point of Sale) and EDC (Electronic Draft Capture) terminals that support credit/debit cards, as well as other multi-purpose cards.

Our Solutions & **Services**

Cont'd

SUPPORT INFRASTRUCTURE

Apart from its 44 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 26 locations nationwide to provide a support network, Dataprep Group's call centre offers 24-hour service, 7 days a week. The 26 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

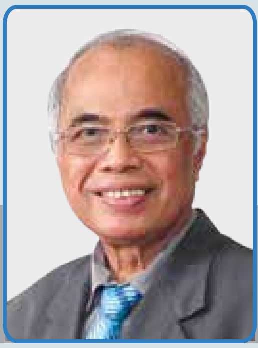
Eastern Region
- Kota Bharu
- Kuala Terengganu
- Cukai Kemaman
- Kuantan
- Temerloh

Sabah
- Kota Kinabalu
- Sandakan
- Tawau
- Lahad Datu

Sarawak
- Miri
- Bintulu
- Sibu
- Kuching
- Kapit
- Sarikei

Wilayah Persekutuan
- Labuan

Profile of Directors...



TAN SRI DATUK ADZMI BIN ABDUL WAHAB
Independent Non-Executive Chairman

Tan Sri Datuk Adzmi Bin Abdul Wahab, a Malaysian, aged 73, 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 technology.

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, USA.

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 Chairman of Remuneration, Quality & Nominating Committee.

He has attended all the four (4) Board Meetings held during the financial year ended 31 March 2016.

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

He also sits on the Board of Magna Prima Berhad, Lebtech Berhad, Grand-Flo Berhad and LKL International 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 five (5) years.

DATUK LIM CHEE WAH
Non-Independent Non-Executive Director

Datuk Lim Chee Wah, a Malaysian, aged 62, 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 has attended three (3) Board Meetings out of the total of four (4) Board Meetings held during the financial year ended 31 March 2016.

He has direct and indirect shareholdings of 1,062,500 and 270,540,800 ordinary shares in the Company.

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

He has not been convicted of any offence within the past five (5) years.

Profile of **Directors**

Cont'd

MICHAEL YEE KIM SHING

Independent Non-Executive Director

Mr Michael Yee Kim Shing, a Malaysian, aged 78, was appointed to the Board on 31 May 2002, as an Independent Non-Executive Director. He graduated with a Bachelor of Commerce degree 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 these respective companies, apart from Pacific & Orient Insurance Berhad.

He has attended all the four (4) Board meetings held during the financial year ended 31 March 2016.

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 five (5) years.

YEOW SOO HIANG

Non-Independent Non-Executive Director

Mr Yeow Soo Hiang, a Malaysian, aged 66, was appointed to the Board on 18 April 2016, as a Non-Independent Non-Executive Director. He graduated from the Institute of Accounting Technicians, United Kingdom and is a fellow member of the Institute of Accounting Technicians, United Kingdom.

He served in various senior management positions with established telecommunications related companies for 15 years prior he founded Trisilco Folec Sdn Bhd in 1990 and became Chief Executive Officer in 1992 until his retirement in 2011. He was instrumental in securing agencies and collaborations with reputable telecommunications companies from United States of America and United Kingdom notably Harris, Nortel, Motorola, ZTE, Hua Wei, Ceragon and CISCO.

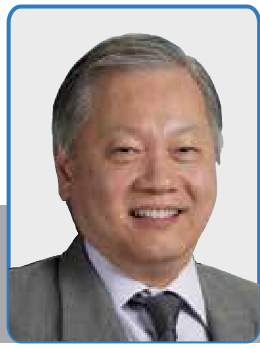
He is presently member of the Audit Committee and member of the Remuneration, Quality and Nominating Committee.

He is not a director of any other public company.

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 five (5) years.



TAN HOCK CHYE

Non-Independent Executive Director

Mr Tan Hock Chye, a Malaysian, aged 56, was appointed to the Board on 18 April 2016, as a Non-Independent Executive Director. He holds a Master of Business Administration (Honors) from Oklahoma City University (USA) and has attended the Harvard Premier Business Management Program. He is a Fellow of the Chartered Institute of Management Accountants (UK) and a Chartered Accountant with the Malaysian Institute of Accountants.

He has more than 34 years of management and financial experience spanning across several industries in retailing, manufacturing, publishing, offshore marine transportation, fast moving consumer goods, industrial goods and hospitality. Currently, he is the Group Managing Director of the Company. Prior to his current position, he had previously held other senior management positions in various companies. He is also a Council Member of PIKOM, the National ICT Association of Malaysia.

He is not a director of any other public company.

He has direct shareholdings of 322 ordinary shares 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 five (5) years.

Chairman's Statement...

DEAR SHAREHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS, I AM PLEASED TO PRESENT THE DATAPREP GROUP'S 27TH ANNUAL REPORT TOGETHER WITH THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016.

Chairman's **Statement**

Cont'd

OVERVIEW

Financial Year 2016 (April 2015 to March 2016) was indeed challenging for both the local and foreign Information and Communications Technology (ICT) industry. The Ringgit has continued to weaken as it hovered around RM4 per USD throughout the financial year concerned *(Source: http://www.bnm.gov.my/index.php?ch=statistics&pg)*. Decrease in crude oil prices from around USD57 per barrel at the beginning of the financial year to a low of USD35 per barrel at the end of the financial year 2016 has begun to adversely impact business activities (*Source: http://www.statista.com/statistics/277914/monthly*). Concurrently, the implementation of the Goods and Services Tax (GST) in April 2015 has directly resulted in the increase of prices and affected corporate and consumer spending. These financial factors have unfavourably impacted the ICT industry.

Nevertheless, the National ICT Association of Malaysia (PIKOM) is still optimistic on the ICT industry, and has forecasted that this industry will grow by 12% to 14% in Malaysia for 2016, despite the various challenges (*Source: https://www.digitalnewsasia.com/ict-industry-malaysia-grow-12-14-2016-pikom*). The growth will come from ICT-related areas such as cloud computing, mobility, big data/analytics, e-commerce, on-line transactions and Internet of Things (IoT).

FINANCIAL REVIEW

For the financial year ended 31 March 2016, the Group recorded a revenue of RM58.53 million, a decrease of 25.2% as compared to the revenue of RM78.23 million in the previous financial year. The lower revenue was mainly due to completion of a major hardware supply contract and the prevailing economic conditions in Malaysia which impacted the IT sector, resulting in lack of further major contracts and lesser ICT business opportunities.

However, the Group managed to record a lower loss before tax of RM2.76 million for the financial year as compared to a loss of RM3.29 million in the previous financial year.

OPERATIONS REVIEW

The revenue from IT-related products and services has decreased to RM56.40 million in the current financial year from RM76.24 million in the previous financial year. This was mainly due to completion of a major hardware supply contract and lesser other significant contracts from key customers.

Revenue from payment solutions and services on the other hand, increased to RM2.13 million in the current financial year from RM1.99 million in the previous financial year mainly due to increased demand for rental of Payment Terminals. This has undoubtedly resulted in the increase in the number of terminals being installed.

During the year, the Group had undertaken various prudent cost-cutting and productivity measures in order to improve its performance. These measures include a rightsizing exercise in December 2015, as well as the establishment of strong technical and project management capabilities to execute projects on a timely basis, including a more robust approach in managing project risk factors. These dynamic measures will manifest themselves in changes involving productivity and risk mitigations, and will inevitably generate a culture of competitiveness as well as delivery excellence.

As part of the transformation activities, the Group will continue to explore new business opportunities to strengthen its revenue stream and performance. Steps to be taken would include recognising possible new ventures and opportunities, expanding ICT into new sectors, and seeking new clients to optimise revenue mix.

Chairman's **Statement**

Cont'd

CORPORATE EXERCISE

On 13 January 2016, Dataprep has announced that it would undertake a Corporate Exercise encompassing a Proposed Reduction of the Share Premium Account, Proposed Reduction of the Issued and Paid-Up Share Capital, Proposed Private Placement and Proposed Amendments to the Memorandum and Articles of Association. Following this, periodic announcements were made to inform the public on the progress. Dataprep is pleased to report that the Corporate Exercise was successful and the Placement Shares were listed on the Main Market of Bursa Securities on 23 May 2016.

PROSPECTS

The Malaysian economy is expected to remain on a sustained growth path of 4-4.5%, despite the challenging economic environment globally and domestically. Domestic demand will continue to be the principal driver of growth, sustained primarily by private sector spending. However, domestic consumption is expected to grow at a moderate pace as households continue to adjust to the higher cost of living. Overall investment is also expected to grow at a slower pace but will remain supported by the implementation of infrastructure development projects and capital spending in the manufacturing and services sectors. Uncertainties in the external environment and the on-going adjustments in the domestic economy pose downside risks to growth. (*Source: http://www.theborneopost.com/2016/05/14/economy-expands-by-4-2-per-cent-in-1q16/*)

The Group's business environment is expected to remain challenging for 2016 due to uncertainties in regional economic outlook. We do not anticipate government spending to rebound and there will be lesser ICT business opportunities on the local front. In view of this, the Group will implement relevant strategies to overcome the challenges such as to concentrate instead on non-government entities, and to also continue to focus on various cost control exercises to contain overheads and improve operational processes to achieve greater efficiency and productivity.

ACKNOWLEDGEMENTS

As part of the succession plan, I would like to congratulate Mr. Tan Hock Chye for assuming the role of Group Managing Director with effect from 1 June 2016, and welcome Mr. Yeow Soo Hiang who also joined the Board on 18 April 2016 as a Non-Independent Non-Executive Director. At the same time, the Board would like to convey its appreciation to Encik Ahmad Rizan Bin Ibrahim, our former Non-Independent Non-Executive Director for his services rendered to the Group.

Lastly, the Board of Directors would also like to thank our shareholders, business associates, customers, management and staff for their continuous support throughout the years.

Tan Sri Datuk Adzmi Bin Abdul Wahab
Chairman

26 July 2016

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 and 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 and 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 Company and its subsidiaries (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.

The 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. These implementations are subsequently reviewed by conducting follow-up reviews on the concerned risks' status after corrective actions have been undertaken.

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 of financial reporting or loss.

The Board has received assurance from the Group Managing Director and Chief Financial Officer that, in the course of their management of day-to-day operations in respect of whole business activities 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 management with the overall responsibility of overseeing the adequacy and effectiveness of risk management processes of the Group.

The risk management full activities formally constituted in line with the risk management framework were temporarily deferred due to reorganisation of the Group and the channelling of much effort, resources and time to manage the ever demanding challenges of the on-going business. It will be resumed in due course at a suitable time. Nevertheless, the board has been assured by the senior management that internal controls have been continuously well in-placed and monitored to manage identified risks for the organisation's activities.

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:

- Company vision and mission and standard operating procedures for all major operations monitoring;

- 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;

- Group vision, mission and strategic directions 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 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; and

- 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 management functions to the Group Managing Director, who is aided by a team of senior corporate officers to assist in the carrying out of the duties. The role of the management 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 Group Managing Director 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 based on the audit assignments undertaken by the Internal Audit Unit. The Head of Internal Audit has the relevant qualification and is responsible for providing assurance to the Audit Committee/Board that internal controls are adequate and 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 ("IIA"), USA. This is with compliance to the International Professional Practices Framework ("IPPF") authoritative guidance on the internal audit profession that has been promulgated by IIA. The IPPF presents current, relevant, internationally consistent information that is required by internal audit professionals worldwide.

Statement on Risk Management **and Internal Control**

Cont'd

MONITORING AND REVIEW *cont'd*

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 every quarter.

These, together with the external auditors' findings arising from the conduct of 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 particular subsidiary, scheduled audit is 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 which have 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 presently. Also, the risks taken are at an acceptable level within 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 provide 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 Meeting dated 31 May 2016 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 Company and its subsidiaries (the Group) as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance and financial 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 2012 ("the Code") and in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("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 2016.

1. ESTABLISHED CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear functions reserved for the Board and those delegated to Management

The respective roles and responsibilities of the Board and Management are clearly set out and understood by both parties to ensure accountability.

The Board is responsible for the overall oversight and management of the Group. The Board functions on the principle that all significant matters are addressed by the Board as it is accountable under the applicable laws and regulations for the Group's activities, strategies, financial position and performance.

The Board delegates certain functions to the Board Committees, the Group Managing Director and the Management.

Key matters reserved for the Board's approval are specified in the Board Charter and the approved Terms of Reference ("TOR") of the respective Board Committees. These include the Group's goals and strategies, financial plans and forecast, quarterly financial statements, public announcements and matters concerning the appointment or re-appointment of External Auditors.

1.2 Clear roles and responsibilities

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, identifying principal risks and implementing the appropriate mitigation measures, and reviewing the adequacy and integrity of the management information and internal control system of the Group.

The Board is guided by the Board Charter which sets out the roles and responsibilities of the Board inter-alia as listed below:

a. Reviewing and adopting strategic plan for the Company including monitoring the implementation of the strategic plan by management;

b. Overseeing the conduct of the Company's business and the performance of management to determine whether the business is properly managed in accordance with the strategies and policies;

c. Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures which effectively monitor and manage these risks;

d. Establishing succession planning and ensuring that all candidates appointed to senior management positions are of sufficient calibre;

Statement on **Corporate Governance**

Cont'd

1. ESTABLISHED CLEAR ROLES AND RESPONSIBILITIES *cont'd*

1.2 Clear roles and responsibilities *cont'd*

e. Overseeing the development and implementation of a shareholder communications policy for the Company to enable effective communication with its shareholders and other stakeholders; and

f. Reviewing the adequacy and the integrity of the management information and internal control systems of the Company.

1.3 Code of Conduct and Ethics

The Group is committed to promoting and maintaining high standards of transparency, accountability and ethics in the conduct of its business and operations.

The Group's Employee Handbook governs the terms and conditions of employment and the standards of ethics and good conduct expected of the Group Managing Director and employees.

The Board has established the Code of Conduct and Ethics for Directors (Executive and Non-Executive Directors) which describes the standards of business conduct and ethical behaviour for Directors in the performance and exercise of their duties and responsibilities as Directors of the Company or when representing the Company.

In addition, the Whistleblowing Policy and Procedures established by the Board apply to the Directors and employees of the Group and are designed to provide them with proper internal reporting channels and guidance to disclose any wrongdoing or improper conduct relating to unlawful conduct, inappropriate behaviour, malpractices, any violation of established written policies and procedures within the Group or any action that is or could be harmful to the reputation of the Group and/or compromise the interests of the shareholders, clients and the public without fear of reprisal, victimisation, harassment or subsequent discrimination.

The Code of Conduct and Ethics for Directors and the Whistleblowing Policy and Procedures are made available for reference on the Company's website at *www.dp.com.my*.

1.4 Promoted Sustainability

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.

1.5 Access to Information and Advice

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 significant changes in 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.

Statement on **Corporate Governance**

Cont'd

1. ESTABLISHED CLEAR ROLES AND RESPONSIBILITIES *cont'd*

1.6 Qualified and competent Company Secretaries

The Company Secretaries play an advisory role in supporting the Board in carrying out its role and responsibilities. The primary responsibilities of the Company Secretaries include:

a. Assisting the Board as a whole and the Board members individually, as to how their responsibilities should be properly discharged in the best interests of the Group;

b. Providing full assistance to the Board and its committees on issues of compliance with rules and procedures and statutory regulations;

c. Circulating relevant news articles, guidelines and updates on statutory requirements from time to time for the Board members' reference and brief the Board on these updates at the Board meetings; and

d. Ensuring that all meetings of the Board and its committees are properly convened and that deliberations, proceedings and decisions thereof are properly minuted and documented.

1.7 Board Charter

The Board has established the Board Charter which provides guidance and clarity for the Board and the Management regarding the role of the Board and the Board Committees, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices.

The Board Charter will be periodically reviewed and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of the Board's responsibilities.

The Board Charter is made available for reference on the Company's website at *www.dp.com.my*.

2. STRENGTHEN COMPOSITION

2.1 Remuneration, Quality & Nominating ("RQN") Committee

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

The RQN Committee comprises Tan Sri Datuk Adzmi Bin Abdul Wahab, Mr Michael Yee Kim Shing and Mr Yeow Soo Hiang.

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

a. To review and recommend to the Board for approval, the remuneration structure and policy for Executive Director and key management personnel;

b. To review the remuneration packages of the Senior Management Team;

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

d. To review and recommend to the Board, the appointment of new Executive Director and to assess the performance of Executive Director on an on-going basis;

Statement on **Corporate Governance**

Cont'd

2. STRENGTHEN COMPOSITION *cont'd*

2.1 Remuneration, Quality & Nominating ("RQN") Committee *cont'd*

e. To review and recommend to the Board, the appointment of new Executive Director/Group Managing Director; and

f. To review the Board's succession plans and training programmes for Board members.

2.2 Develop, Maintain and review Criteria for Recruitment and Annual Assessment of Directors

The appointment of new Directors is under the purview of the RQN Committee which is responsible to perform a thorough assessment of the candidates and to deliberate on the assessment prior to recommending the candidates to the Board for its approval.

The RQN Committee has carried out an evaluation of the effectiveness of the Board and Board Committees and individual Directors. This includes the Roles and Responsibilities of the Board; the Board composition; Information to the Board; Conduct of Board meetings; Performance Evaluation on Board and Board Committees and Directors' self-assessments. The RQN reviewed the outcome of the evaluation exercise and the areas for continuous improvement.

The RQN Committee reviewed the required mix of skills and experience and other qualities, including core competencies which Directors should bring to the Board.

The Board does not currently have any gender diversity policy. Nevertheless, the Group is an equal opportunity employer and all appointments and employments are based strictly on merits and are not driven by any racial or gender bias.

The Board will consider establishing a policy for gender diversity at the Board level in the future.

2.3 Remuneration policies and procedures

The RQN Committee has remuneration policies and procedures to guide its decision-making process. The RQN Committee meets as and when necessary and can also make decisions by way of circular resolutions.

The RQN Committee, as stated above, is entrusted with the role of reviewing and recommending a suitable policy and framework in respect of the remuneration packages for the Executive Director and key management personnel 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 operations 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 in 2008. For the year under review, the total fees and allowances to be paid to Independent Non-Executive Directors amounted to RM140,250.

The remuneration of the Executive Director is based on his/her performances and contributions to the Group. On the other hand, the remuneration of the Non-Executive Directors are based on their respective experience, qualification and level of responsibilities undertaken by them.

Statement on **Corporate Governance**

Cont'd

2. STRENGTHEN COMPOSITION *cont'd*

2.3 Remuneration policies and procedures *cont'd*

The aggregate remuneration of the Directors during the financial year 2016 are categorised into appropriate components as follows:

Board of Directors	Emoluments (A) RM	Allowance (B) RM	Fee (C) RM	Total Directors' Remuneration Excluding Benefits-in-Kind (D)=(A+B+C) RM	Benefits-in-Kind (E) RM
Executive Directors	809,700	195,490	-	1,005,190	65,560
Non-Executive Directors	-	23,250	117,000	140,250	-

Range of remuneration	Number of Directors 2016	2015
<u>Executive Directors</u>		
RM200,001 to RM250,000	1	1
RM550,001 to RM600,000	-	1
<u>Non-Executive Directors</u>		
RM1 to RM50,000	4	3
RM50,001 to RM100,000	-	1

The Board is mindful of the disclosure of details of the remuneration of Directors. The Company complies with the disclosure requirements under the MMLR of BMSB. The Board is of the view that the transparency and accountability aspects of Corporate Governance as applicable to Directors' Remuneration are appropriately served by the above disclosure.

3. REINFORCE INDEPENDENCE

3.1 Annual Assessment of Independence

All 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.

With regard to the Independent Director who is eligible to stand for re-election at the forthcoming 27th Annual General Meeting, the RQN is satisfied that he is independent of management and free from any business or other relationships which could interfere with his exercise of independent judgment, objectivity or ability to act in the best interests of the Company.

Statement on **Corporate Governance**

Cont'd

3. REINFORCE INDEPENDENCE *cont'd*

3.2 Tenure of Independent Directors *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 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 continues to demonstrate conduct and behaviour that are essential indicators of independence, and that he continues to fulfill the definition of independence as set out in the MMLR. The length of his service on the Board does not in any way interfere with his exercise of independent judgement and ability to act in the best interests of the Group.

3.3 Separation of positions of the Chairman and Group Managing Director

Although the Chairman has some influence over the role of the Executive Director/Group Managing Director and the strategic business direction of the Group, the role of the Chairman is separate from the role of the Executive Director/Group Managing Director and his responsibilities are clearly defined to ensure the balance of power and authority. The Chairman is primarily responsible for the orderly conduct and working of the Board while the Executive Director/Group Managing Director is responsible for the overall operations of the business and the implementation of Board strategies.

3.4 Composition of the Board

The composition of the Board consists of members with a wide range of skills and experiences from the financial and business background to lead and control 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 ability. The Board has the 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 interests of shareholders and stakeholders of the Group.

The current Board has five (5) members comprising two (2) Non-Independent Non-Executive Directors, two (2) Independent Non-Executive Directors and one (1) Executive Director.

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 and management. A brief description of the background of each director is contained in the Directors' Profile section. This composition and combination of different skills ensures an effective Board decision-making process and enables the Board to efficiently lead and control the Group.

Statement on **Corporate Governance**

Cont'd

4. FOSTER COMMITMENT

4.1 Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. There were four (4) Board meetings held in the Financial Year 2016. The attendance of the members of the Board at Board meetings in the Financial Year 2016 are as follows:

Name of Directors	Attendance	Percentage
Tan Sri Datuk Adzmi bin Abdul Wahab	4/4	100
Datuk Lim Chee Wah	3/4	75
Mr Michael Yee Kim Shing	4/4	100
Encik Ahmad Rizan bin Ibrahim *(resigned on 18 April 2016)*	3/4	75
Mr. Tan Hock Chye *(appointed on 18 April 2016)*	1/1	100
Mr. Yeow Soo Hiang *(appointed on 18 April 2016)*	1/1	100

4.2 Directors' Training

All directors have attended and successfully completed the Mandatory Accreditation Programme accredited by BMSB. In addition, seminars and conferences organised by BMSB, relevant regulatory bodies and professional bodies on areas pertinent to the Directors are communicated to the Board for their participation. The Board has identified training needs amongst the Directors and enrolled themselves for the training programmes as and when required. Directors may also request to attend additional training to keep abreast of 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 meetings.

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

- Focus Group Session for Board of Directors on Strengthening Corporate Governance Disclosure Amongst the Listed Issuers.
- Lead The Change; Getting Women on Boards.
- The Internal Capital Adequacy Assessment Process.
- Transactions by Directors & Practical Issues and Solutions.
- Operationalising Transformation.
- Corporate Governance: Risk, Oversight and Strategy.
- ESG Workshop for FTSE4Good Bursa Malaysia Index.

All Directors will continue to attend and undergo 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 to discharge their duties as Director.

Statement on **Corporate Governance**

Cont'd

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with Applicable Financial Reporting Standards

The Board aims to provide balance and meaningful assessment of the Group's financial performance and position at the end of each financial year, primarily through the annual financial statements, quarterly announcements of results to shareholders and the Chairman's Statement in the Annual Report. This is to comply with Principle 5 of MCCG 2012 that emphasises the role of Audit Committee in ensuring that financial statements are reliable.

The Board is assisted by the Audit Committee in overseeing and governing the Group's financial reporting processes and the quality of its financial reporting.

The Audit Committee performs inter-alia the following functions:

a. Review with the Group's External Auditor their audit report and the planned corrective actions that need to be taken arising from their audit findings;

b. Review the quarterly and annual financial statements of the Group and the Company before submission to the Board, focusing in particular on significant changes and adjustments in the preparation and presentation of the financial statements, material fluctuations in the financial position and results as reflected in the financial statements and compliance with accounting standards, regulatory and other legal requirement. This includes assurance that is provided by the Chief Financial Officer to the Audit Committee that the financial statements had been prepared as per statutory requirements;

c. Review matters concerning the suitability for appointment or reappointment of External Auditors and matters relating to their resignation;

d. Review any related party transactions entered into by companies within the Group and any conflict of interest situation that may arise within the Group; and

e. Review with the Internal Audit Department their evaluation of the system of internal controls, which include amongst other matters, the financial and operational controls.

Details of the activities carried out by the Audit Committee for the financial year under review are set out separately in this Annual Report.

5.2 Assessment of Suitability and Independence of External Auditors

As one of its functions stated above, the Audit Committee undertakes an annual assessment of the External Auditors to gauge their performance, suitability and independence. Based on the results of this assessment, the Audit Committee shall make a recommendation to the Board for their re-appointment or termination.

In this regard, the Audit Committee had on 26 May 2016 assessed the performance and independence of Messrs. Folks DFK & Co. as External Auditors of the Company for services provided by them during the financial year under review and had recommended their re-appointment.

Statement on **Corporate Governance**

Cont'd

6. RECOGNISE AND MANAGE RISK

6.1 Sound framework to manage risks

The Board is responsible for ensuring that risks and also opportunities are identified on a timely basis and that the Group's objectives and activities are aligned with those risks and opportunities.

The Company's approach to risk management is based on the identification, assessment, monitoring and management of material risks embedded in its business and management systems.

The Statement on Risk Management and Internal Control made pursuant to Paragraph 15.26(b) of the MMLR of BMSB is separately set out in this Annual Report.

6.2 Internal Audit function

The Board has established an Internal Audit function within the Company which is led by the Senior Manager, Internal Audit Unit who reports directly to the Audit Committee.

Details of the key elements of the Group's internal controls system are set out separately in the Statement on Risk Management and Internal Control and the Report of the Audit Committee in this Annual Report.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Appropriate Corporate Disclosure Policies and Procedures

The Group has put in place appropriate controls on the confidentiality of information where all Executive Directors and employees of the Company are required to sign a Confidentiality Agreement before appointment. This is to ensure that confidential information is properly handled to avoid leakage and improper use of such information. The Group upholds strict standards on confidentiality with regard to the undisclosed material information and to ensure that the dissemination of information to the shareholders and general public is done in a timely and fair manner. The Board is mindful that information which is expected to be material must be announced immediately.

In addition, the Board has established the Corporate Disclosure Policies and Procedures which applies to all Directors, management and employees of the Group. It outlines the Company's approach toward the determination and dissemination of material information, the circumstances under which the confidentiality of information will be maintained and restrictions on insider trading. It also provides guidelines in order to achieve consistent disclosure practices across the Company.

The Corporate Disclosure Policies and Procedures is made available on the Company's website at *www.dp.com.my*.

7.2 Leverage on information technology for effective dissemination of information

The Company's website incorporates the corporate information of the Company and is accessible to the public. The website also incorporates an Investor Relations section which provides all relevant information on the Company's shares, financial information, announcements made by the Company to Bursa Malaysia as well as the latest media news on the Company. The Company has continuously leveraged on information technology for effective dissemination of information to the shareholders and to the public.

Statement on **Corporate Governance**

Cont'd

8. STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS

8.1 Encourage shareholder participation at general meetings

The Notice of General Meetings together with a copy of the Company's Annual Report and/or Circular to Shareholders will be despatched to the shareholders within the prescribed notice period prior to the scheduled general meetings in order to provide sufficient time to the shareholders to make the necessary arrangements to attend and participate either in person, by corporate representative or by proxy. The Board encourages shareholders' participation and engagement at the general meeting as it provides an opportunity for the Board to assess the market expectations and more importantly, it provides an avenue for the shareholders to make enquiries on the resolutions being proposed and to seek clarification on the business and performance of the Group.

8.2 Poll Voting

The Board ensures poll voting at general meetings in case of substantive resolutions which require shareholders' approval. In previous general meetings held, the Chairman had notified the shareholders of their rights to demand a poll vote at the commencement of the general meetings. Resolutions set out in the Notice of any General Meeting or any Notice of Resolution which may properly be moved at any general meeting is voted by poll. The poll voting process at the General Meeting will be conducted in accordance with the provisions of the Articles of Association of the Company.

8.3 Effective communication and proactive engagement

The Company recognises the importance of providing adequate information to the shareholders on a timely basis. The shareholders are kept well informed of the developments and performance of the Company through timely announcements and disclosures made to Bursa Malaysia including the release of financial results on a quarterly basis. Additionally, the Annual General Meeting is the principal forum for dialogue and interaction with all shareholders, who are given the opportunity to enquire and seek clarification on the operations and financial performance of the Group.

In addition to the above, the Company is always willing to meet up with institutional investors whenever the need arises, to elaborate or to further clarify the information which has been disclosed to the shareholders. The shareholders can also obtain up-to-date information from the Company's website at *www.dp.com.my*.

9. CORPORATE SOCIAL RESPONSIBILITY

The Company acknowledges the fact that any form of support for the social well-being and/or growth of the community would indirectly contribute to the social interests and advancement of the Malaysian society.

As part of the Group's efforts to enhance its corporate image and in keeping with its Corporate Social Responsibility, the Group had organised a blood donation campaign on 18 December 2015 to assist the needs of and to support the nation's blood bank.

Additional **Compliance Information**

The following information is provided in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

- **Material Contracts with Related Parties**

  Except for the transactions mentioned under "Recurrent Related Party Transactions of a Revenue or Trading Nature" below, 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-Back**

  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 2016.

- **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**

  The total of non-audit fees of RM35,400 would be payable to the External Auditors, Messrs. Folks DFK & Co and its affiliate as follows:

  (i) Review of Statement on Risk Management and Internal Control of RM6,000;
  (ii) Review of Supplementary Information on Realised and Unrealised profits/losses of the Company and the Group of RM4,000; and
  (iii) Taxation fee of RM25,400.

- **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.

Additional **Compliance Information**

Cont'd

- **Utilisation of proceeds raised from Corporate Proposals**

On 13 January 2016, the Company had announced that it would undertake a corporate exercise comprising the following proposals (collectively "the Proposals"):-

i) Proposed reduction of the share premium account of the Company amounting to RM5,488,032 pursuant to Section 60(2) and 64(1) of the Companies Act, 1965 ("Act") ("Proposed Share Premium Reduction").

ii) Proposed reduction of the issued and paid up share capital of the Company pursuant to Section 64(1) of the Act, involving cancellation of RM0.15 from the par value of every existing ordinary share of RM0.25 each in the Company ("Proposed Par Value Reduction").

iii) Proposed private placement of up to 38,308,719 new ordinary shares of RM0.10 each in the Company ("Placement Shares"), representing up to 10% of the issued and paid up share capital of the Company after the Proposed Share Premium Reduction and Proposed Par Value Reduction ("Proposed Private Placement").

iv) Proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Par Value Reduction ("Proposed M & A Amendments").

The Company obtained the approval of Bursa Malaysia Securities Berhad ("Bursa Securities") vide its letter dated 2 March 2016 for the listing of the Placement Shares on the Main Market of Bursa Securities and the shareholders of the Company approved the Proposals at its Extraordinary General Meeting held on 4 April 2016.

On 4 May 2016, the Company lodged the sealed order of the High Court of Malaya, Kuala Lumpur dated 25 April 2016 sanctioning the Proposed Share Premium Reduction and Proposed Par Value Reduction with the Companies Commission of Malaysia and as such, these proposals were deemed completed on 4 May 2016.

On 23 May 2016, the Proposals had been completed following the listing and quotation of 38,308,632 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad based on the issue price of RM0.145 per Placement Share.

The proceeds raised of RM5,554,752 will be utilised as follows:-

	RM
Repayment of bank borrowings*	4,967,752
Working capital requirements*	287,000
Settlement of estimated expenses for the corporate exercise**	300,000
Total proceeds	**5,554,752**

* *Utilisation of proceeds within six (6) months from the date of the listing of the Placement Shares*
** *Utilisation of proceeds within three (3) months from the date of the listing of the Placement Shares*

Additional **Compliance Information**

Cont'd

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

During the financial year ended 31 March 2016, there was no related party transactions which are summarised as follows:

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Consultancy fee charged to 3rd Valley (Zhangjiakou) Resort Corporation*	-	61	-	-
Service fee charged to VXL Holdings Sdn Bhd	-	135	-	135

* *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.*

Audit Committee **Report**

The Audit Committee of Dataprep Holdings Bhd. ("the Company") is pleased to present the Audit Committee Report for the financial year ended 31 March 2016 which provides insight into the manner in which the Audit Committee discharged its functions, roles and responsibilities for the company during the financial year under review:

1. COMPOSITION OF AUDIT COMMITTEE

There are three (3) Audit Committee members, all of whom are non-executive directors, with a majority of them being independent 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)*
Ahmad Rizan bin Ibrahim *(Non-Independent Non-Executive Director, resigned on 18 April 2016. He is replaced by Mr. Yeow Soo Hiang, Non-Independent Non-Executive Director on the same date)*

The Chairman of the Audit Committee 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 which further complies with paragraph 15.09 1(c)(i) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("BMSB").

The Secretaries to the Audit Committee are Ms. Joanne Tee Lee Leng (appointed on 18 April 2016) and Ms. Geng Mun Mooi.

2. ATTENDANCE AT AUDIT COMMITTEE MEETINGS

The Committee met 4 times during the financial year ended 31 March 2016. The attendance records of the respective Committee members and dates of the meetings are as follows:

	Meetings				Attendance (√)	
Name of Member	**22/05/15**	**19/08/15**	**18/11/15**	**23/02/16**	**Held**	**Attended**
Mr Michael Yee Kim Shing	√	√	√	√	4	4
Tan Sri Datuk Adzmi bin Abdul Wahab	√	√	√	√	4	4
Encik Ahmad Rizan bin Ibrahim	√	√	√	√	4	4

Upon invitation, the Audit Committee Meetings were attended by the Group Managing Director, representatives of the External Auditors, Chief Financial Officer, Head of Internal Audit and relevant members of the management to facilitate direct communication and provide clarification on audit issues, Group's operations as well as other matters within the Terms of Reference of the Audit Committee, as applicable. Minutes of each Audit Committee Meeting were recorded and tabled for confirmation and adoption at the next Audit Committee Meeting and subsequently presented to the Board for notation. The minutes of the Audit Committee Meeting which include record of deliberations, decisions and resolutions on the matters brought up in the meetings were properly maintained by the Company Secretary.

The Audit Committee may also invite any employee of the company to attend its meetings if appropriate, and has access to any form of independent advice from professionals, information and the views and services of the Company Secretary as when warranted in carrying out its duties and functions.

Audit Committee **Report**

Cont'd

2. ATTENDANCE AT AUDIT COMMITTEE MEETINGS *cont'd*

The Audit Committee Chairman reports to the Board on a quarterly basis on all significant matters discussed, deliberated upon and dealt with at the Audit Committee Meetings. Amongst others, it contains the Audit Committee's recommendations to approve the quarterly management reports and accounts, the quarterly consolidated financial results released to Bursa Malaysia, the annual financial statement of accounts, key disclosure statements in the Annual Report as well as significant audit issues raised by the External Auditors and Internal Auditors. The Audit Committee continuously reviews and updates its Terms of Reference to reflect the updated internal procedures of the management and current requirements as promulgated by the authorities.

The Terms of Reference is available on the Company's website at *www.dp.com.my*.

3. ACTIVITIES OF THE AUDIT COMMITTEE

The summary of the activities carried out by the Audit Committee in the discharge of its duties and responsibilities for the financial year ended 31 March 2016 is as follows:

(i) Financial Reporting

a. Reviewed the audited financial statements of the Group and of the Company for inclusion in the Annual Report as well as the statutory auditors' report thereon prior to the submission to the Board for their consideration and approval, being satisfied that, inter-alia, they were drawn up in accordance with the applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the provision of the Companies Act , 1965 in Malaysia;

b. Reviewed and discussed the Quarterly Management Report and Accounts of the Company and of the Group as well as the unaudited quarterly financial results including the announcements pertaining thereto before recommending the same to the Board for approval and release to Bursa Malaysia;

   To uphold the integrity of information, the Chief Financial Officer attended all Audit Committee Meetings held throughout the financial year and the management provided assurance to the Audit Committee that appropriate accounting policies had been adopted and applied consistently and matters such as prudent judgement and estimates had been made in accordance with the requirements as stipulated in the relevant accounting standards;

c. When reviewing the financial reports, the Audit Committee had obtained reasonable assurances that the financial performance and financial position as reflected in the Statement of Accounts had been prepared in accordance with the applicable MFRS in all aspects; and

d. Reviewed the assurance provided by the Group Managing Director and the Chief Financial Officer on the scope and performance of the internal control systems established by the Group. The assurance provided by the Senior Management was corroborated by independent confirmation received from the Internal Audit Unit based on the undertaking of audits in accordance with the Audit Planning Memorandum that had been approved by the Audit Committee.

(ii) External Auditors

a. In February 2016, reviewed and discussed the Audit Planning Memorandum of the External Auditors for financial year ended 31 March 2016. This covers the audit approach, significant events, key areas of audit emphasis, proposed audit fees and non-audit fees and updates of accounting standards as well as other regulatory updates, as appropriate;

Audit Committee **Report**

Cont'd

3. ACTIVITIES OF THE AUDIT COMMITTEE *cont'd*

(ii) External Auditors *cont'd*

b. In May 2016, reviewed and discussed the Audit Review Memorandum issued by the External Auditors upon completion of the annual audit, covering significant audit findings, deficiencies in internal controls via management letter, status of audit, professional independence, communication with Audit Committee, summary of unadjusted differences and expected auditor's opinion. The External Auditors had expressed an opinion that the Group's financial statements were prepared in compliance with the MFRS and confirmed that the accounting records, other records and registers are properly kept in accordance with the provision of the Companies Act 1965;

c. In May 2016, assessed and evaluated the performance of the External Auditors focussing on the question of professional independence and suitability for its reappointment as External Auditors of the company in conjunction with the Group Managing Executive Director and Chief Financial Officer;

The assessment and evaluation performed covered the following areas:

(i) Independence

(a) The Audit Committee had reviewed and discussed on the status of independence of the External Auditors for the financial year ended 31 March 2016. The External Auditors had provided written assurance presented in their Audit Planning Memorandum confirming their continuous compliance with the relevant ethical requirements concerning independence with respect to the audit of the group in accordance with the International Federation of Accountants code of ethics for professional accountants and the Malaysian Institute of Accountants by laws (on professional ethics, conduct and practice); and

(b) The Audit Committee had reviewed and discussed the summary of non-audit services rendered to the Group as presented in their Audit Review Memorandum. The non-audit services provided by the External Auditors for the financial year ended 31 March 2016 were in respect of tax compliance services, review of the Statement on Risk Management and Internal Control ("SORMIC") and the review of the Statement of Realised / Unrealised Retained Profits. The total fee of which amounted to RM35,400.

The nature of the non-audit services rendered were looked into together with the related terms wherein it was concluded that the fees were reasonable and realistic in line with the complexity and magnitude of the services coupled with the types of assignments undertaken which would not impair the independence and objectivity of the External Auditors.

(ii) Suitability and Performance

(a) In May 2016, the Audit Committee had assessed and evaluated the performance of the External Auditors based on the following guidelines:

- Calibre of the External Audit firm of international status;
- Quality of audit processes and performance;
- Audit team with emphasis on the competency, qualification and experience of engagement partner, concurring partner, audit manager and audit senior which also covered on the matter of familiarity with Dataprep Holdings Bhd's IT industry and operations;
- Audit scope and planning;
- Fairness and reasonableness of audit fee; and
- Audit communication.

Audit Committee **Report**

Cont'd

3. ACTIVITIES OF THE AUDIT COMMITTEE *cont'd*

(ii) External Auditors *cont'd*

c. *cont'd*

(ii) Suitability and Performance *cont'd*

(a) *cont'd*

Additionally, the Audit Committee also had taken the following criteria into consideration in assessing and evaluating the performance of the External Auditors:

- Competency;
- Conduct of audit;
- Engagement partners involvement;
- Concurring partners involvement; and
- Professional working relationship between the management and the External Auditors.

(b) The management had confirmed that the External Auditors had provided full cooperation had extended relevant advise, suggestions and clarifications related to the accounting treatments and presentations of the financial and operational transactions to the management, maintained active engagement and communication during the audit processes and the audit fee proposed was competitive and reasonable based on the complexities and size of the audit and time spent on the audit undertakings. The outcome of the performance assessment supports the Audit Committee recommendation to the Board for the re-appointment of Folks DFK & Co. as the External Auditors of the Company for the ensuing year;

(c) The Board at its meeting in May 2016 approved the Audit Committee recommendations to re-appoint Folks DFK & Co., subject to the shareholders' approval being sought at the forthcoming Annual General Meeting;

(d) Reviewed and discussed the opinion issued by the External Auditors from their review on SORMIC for the financial year ended 31 March 2016 which was effected in accordance with SORMIC- Guidelines for Directors of Listed Issuers; and

(e) In February and May 2016, the Audit Committee had two private meetings with the External Auditors without the presence of the Group Managing Director and management. Generally, there were no significant unfavourable matters raised by the External Auditors.

(iii) Internal Auditors

(a) Reviewed and approved the Audit Planning Memorandum of the Internal Auditors for the working period from June 2015 to May 2016 in respect of the financial year ended 31 March 2016 to ensure adequate scope of work, functions, resources, coverage on the activities of the Group, taking into consideration the assessment of key risk areas;

(b) Reviewed and discussed the Internal Audit reports issued by the Internal Audit Unit which incorporate the findings, recommendations and corrective actions committed by the management to ensure that all key risks are adequately addressed on timely basis and that effective controls are put in place;

Audit Committee **Report**

Cont'd

3. ACTIVITIES OF THE AUDIT COMMITTEE *cont'd*

(iii) Internal Auditors *cont'd*

(b) *cont'd*

There were 8 Internal Audit reports issued by the Internal Audit Unit during the financial year ended 31 March 2016 which were aligned to the approved Audit Planning Memorandum. All Internal Audit reports also discussed and resolved matters of disputable findings with recommendations of corrective measures made to the management. The Internal Audit reports covered the operational transactions in the auditable areas of Human Resources & Administration, Management Information System, Project Management Office, Dataprep Payment Solution Services and Recurrent Related Party Transactions;

(c) Reviewed the progress of action plans committed to by the management for key findings highlighted in previous Internal Audit reports until the recommendations thereto had been fully adhered to and that the preventive and corrective measures were sufficiently put in place; and

(d) Reviewed the progress and activities of the Internal Audit Unit on a quarterly basis which covered the following aspects:

(i) The status of completion of the planned audit assignments as per the approved Audit Planning Memorandum for the financial year ended 31 March 2016;

(ii) Any request for modification to the approved Audit Planning Memorandum to cater for adhoc audit assignments initiated by the Group Managing Director and Senior Management or significant changes in the business and corporate development as applicable;

(iii) Adequacy of resources and competencies with regard to the Internal Audit management; and

(iv) Significant matters/issues/challenges faced in the conduct of audit work.

(iv) Corporate Governance and Compliance

(a) Reviewed the published Annual Report of the company which encompasses relevant disclosure statements as set out in part (a) of Appendix 9(c) of the MMLR;

(b) 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;

(c) Reviewed with the assistance of the Internal Audit Unit on a quarterly basis to determine the presence of any recurrent related party transaction to ensure full compliance with the relevant MMLR of Bursa Malaysia and the related internal procedures; and

(d) Discussed and noted the updates on regulatory, statutory and professional body matters and relevant business news articles published by the mass media.

Audit Committee **Report**

Cont'd

4. INTERNAL AUDIT UNIT

The Internal Audit Unit is lead by the Head of Internal Audit who reports functionally to the Audit Committee in accordance with paragraph 15.27 of the MMLR and administratively to the Executive Director.

The main objective of the Internal Audit function is to assist the Board and management in discharging their responsibilities by providing an independent and reasonable assurance on the adequacy and effectiveness of the system of internal control, risk management and corporate governance processes of the Group.

The purpose, authority and responsibilities as well as the scope of the Internal Audit functions are articulated in the approved Internal Audit Charter. Specifically, the key responsibilities of the Internal Audit Unit include the following:

(i) Developing an annual risk based audit plan to be submitted to the Audit Committee for approval;

(ii) Executing the approved audit plan using a risk based methodology, as well as any special task or project initiated by the Board, Audit Committee or Senior Management;

(iii) Issuing periodic Internal Audit reports with detail findings, recommendations and corrective actions committed by the management and thereafter tabled to the Audit Committee for review and approval;

(iv) Reporting on a timely basis to the Audit Committee any suspected fraud with appropriate details;

(v) Undertaking investigation work as instructed and presenting the results thereof to the Audit Committee.

The Internal Audit activities for the financial year ended 31 March 2016 were carried out in accordance with the Audit Planning Memorandum which had been approved by the Audit Committee. The planned audit assignments were identified taking into consideration all existing and potential risk factors of the Group compiled from the following sources:

(i) Observation and risks identified from previous Internal Audit assignments;

(ii) Observation and risks highlighted by the Audit Committee;

(iii) Discussion with Group Managing Director, key management personnel and Heads of Department;

(iv) Review of the Minutes of Meetings, relevant reports and matters deliberated and discussed in key meetings held throughout the working period by the Senior Management; and

(v) Review of the recent strategic business exercises and activities.

Internal Audit has performed a high-level assessment on the risk factors based on the likelihood and consequences ratings for each risk assigned and populated into the Likelihood Consequence Matrix to identify the significant auditees and auditable areas selected for audit purposes. The identified key audit areas for the financial year ended 31 March 2016 which constituted the subject matters of the audit work conducted by the Internal Audit were as follows:

(i) Human Resource & Administration;

Audited Areas:
Recruitment/Resignation, Training/Development, Performance Evaluation/Appraisal, Management/Compliances

Audit Committee **Report**

Cont'd

4. INTERNAL AUDIT UNIT *cont'd*

(ii) Management Information System (MIS);

Audited Areas:
Software Licensing, Assets Management, Back-up & Recovery

(iii) Project Management Office;

Audited Areas:
Contract Management, Project Planning, Project Management

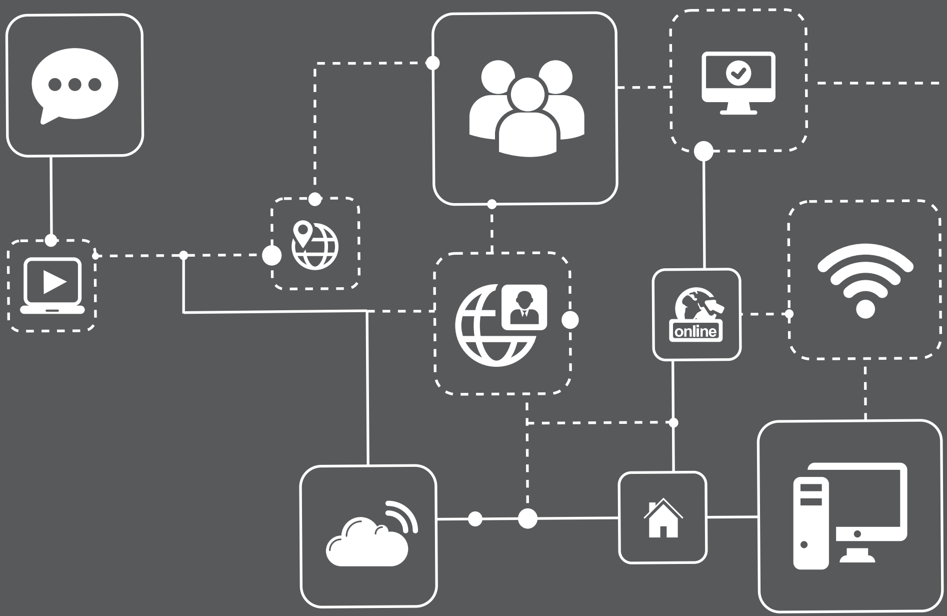
(iv) Payment Solutions and Services;

Audited Areas:
Sales & Marketing, Sales Administration, Billings & Collections

(v) Recurrent Related Party Transactions (four quarterly reports).

Audited Areas:
Review of recurrent related party transactions and guidelines

The total cost incurred by the Internal Audit function in discharging its functions and responsibilities for the working period set for financial year ended 31 March 2016 was approximately RM228,951.



FINANCIAL STATEMENTS

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 2016.

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 15 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	(2,866)	(3,114)
Attributable to:		
Owners of the Company	(2,736)	(3,114)
Non-controlling interests	(130)	-
	(2,866)	(3,114)

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

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the allowance for impairment losses on investment in a subsidiary and on amounts due from subsidiaries in respect of the Company as disclosed in Note 6 to the financial statements.

DIVIDEND

No dividend was paid or declared by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the 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	
Tan Hock Chye	(appointed on 18 April 2016)
Yeow Soo Hiang	(appointed on 18 April 2016)
Muhammad Fauzi Bin Abd Ghani	(resigned on 2 June 2015)
Ahmad Rizan Bin Ibrahim	(resigned on 18 April 2016)

Directors' **Report**

Cont'd

DIRECTORS *cont'd*

In accordance with Article 103 of the Company's Articles of Association, Tan Hock Chye and Yeow Soo Hiang retire from the Board at the forthcoming Annual General Meeting and, being eligible, offer themselves 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.

Article 98 provides that one-third or the number nearest to one-third of Directors available for retirement shall retire by rotation. Consequently retirement by rotation is not required at the forthcoming Annual General Meeting as there is only one Director available for retirement by rotation.

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 other than the proposed private placement of shares in the Company to the holding company, VXL Holdings Sdn Bhd of which Datuk Lim Chee Wah, a Director of the Company is a substantial shareholder pursuant to the corporate exercise as detailed in Note 35 to the financial statements.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit 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 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, through the private placement of new shares in the Company to the holding company as referred to in the preceding paragraph, at an issue price which represented a discount from the quoted market price as detailed in Note 35 to the financial statements, and the disposal to and acquisition of shares in a subsidiary from a Director as disclosed in Note 28(b)(i) to the financial statements.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares in the Company and related corporations for the financial year were as follows:

	Number of Ordinary Shares of RM0.25 Each			
	At 1.4.2015	Acquired	Disposed	At 31.3.2016
The Company				
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	28,847,122	-	232,232,168
Ahmad Rizan bin Ibrahim*				
- Direct	17,831	-	-	17,831

Directors' **Report**
Cont'd

DIRECTORS' INTERESTS *cont'd*

	Number of Ordinary Shares of RM1 Each			
	At 1.4.2015	**Acquired**	**Disposed**	**At 31.3.2016**
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 1.4.2015	**Acquired**	**Disposed**	**At 31.3.2016**
Subsidiary Company				
- Solsis (M) Sdn. Bhd.				
Ahmad Rizan bin Ibrahim*				
- Direct	2,538,000	6,091,200	(8,629,200)	-

* *Resigned subsequent to year end on 18 April 2016.*

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.

Except as disclosed above, the remaining director in office did not have any interest in shares of the Company and its related corporations for 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.

Directors' **Report**

Cont'd

OTHER STATUTORY INFORMATION *cont'd*

(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.

SIGNIFICANT EVENT DURING THE YEAR AND SUBSEQUENT EVENTS

During the year the Company undertook a corporate exercise of share capital reduction, share premium reduction and private placement of new shares which were completed subsequent to the end of the year as disclosed in Note 35 to the financial statements.

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 2016.

Tan Sri Datuk Adzmi Bin Abdul Wahab
Chairman

Tan Hock Chye
Director

Date: 31 May 2016

Statements of **Comprehensive Income**

For the financial year ended 31 March 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Revenue	4	58,525	78,234	5,844	6,528
Cost of sales		(47,353)	(66,076)	-	-
Gross profit		11,172	12,158	5,844	6,528
Other income	5	975	1,168	574	480
Selling and distribution costs		(1,694)	(1,930)	-	-
Administrative expenses		(8,480)	(8,540)	(3,964)	(4,450)
Other expenses	6	(4,160)	(5,688)	(5,558)	(5,114)
Operating loss		(2,187)	(2,832)	(3,104)	(2,556)
Finance costs	7	(569)	(460)	(10)	(12)
Loss before taxation	8	(2,756)	(3,292)	(3,114)	(2,568)
Taxation	11	(110)	(78)	-	-
Loss for the financial year		(2,866)	(3,370)	(3,114)	(2,568)
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss:					
Foreign currency translation gain		40	66	-	-
Other comprehensive income for the year, net of tax		40	66	-	-
Total comprehensive loss for the year		(2,826)	(3,304)	(3,114)	(2,568)
Loss for the financial year attributable to:					
Owners of the Company		(2,736)	(4,240)	(3,114)	(2,568)
Non-controlling interests		(130)	870	-	-
		(2,866)	(3,370)	(3,114)	(2,568)
Total comprehensive loss for the year attributable to:					
Owners of the Company		(2,696)	(4,174)	(3,114)	(2,568)
Non-controlling interests		(130)	870	-	-
		(2,826)	(3,304)	(3,114)	(2,568)
Loss per share attributable to owners of the Company (sen):					
Basic	12	(0.71)	(1.11)		

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

Statements of **Financial Position**

As at 31 March 2016

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
ASSETS					
Non-current assets					
Plant and equipment	13	1,342	1,148	265	372
Intangible assets	14	144	226	156	237
Investment in subsidiaries	15	-	-	16,307	18,074
Other investments	16	91	91	-	-
		1,577	1,465	16,728	18,683
Current assets					
Inventories	19	638	543	-	-
Trade receivables	20	16,036	27,605	-	-
Other receivables	21	1,180	1,086	176	85
Amount due from subsidiaries	17	-	-	11,249	12,884
Tax recoverable		62	2	-	-
Cash and bank balances	23	23,684	26,535	10,802	10,425
		41,600	55,771	22,227	23,394
TOTAL ASSETS		43,177	57,236	38,955	42,077

Statements of **Financial Position**

As at 31 March 2016

Cont'd

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	24	95,772	95,772	95,772	95,772
Share premium		5,488	5,488	5,488	5,488
Merger deficit		(13,509)	(13,509)	-	-
Foreign exchange reserve		142	102	-	-
Accumulated losses		(58,429)	(57,407)	(62,859)	(59,745)
		29,464	30,446	38,401	41,515
Non-controlling interests		(109)	1,953	-	-
Total equity		29,355	32,399	38,401	41,515
Non-current liabilities					
Long term borrowings	25	178	204	178	204
Current liabilities					
Trade payables	26	3,041	12,056	-	-
Other payables	27	3,939	4,078	350	326
Short term borrowings	25	6,651	8,478	26	32
Provision for taxation		13	21	-	-
		13,644	24,633	376	358
Total liabilities		13,822	24,837	554	562
TOTAL EQUITY AND LIABILITIES		43,177	57,236	38,955	42,077

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 2016

Group	Note	Attributable to the Owners of the Company						Non-controlling interests RM'000	Total equity RM'000
			Non-Distributable						
		Share capital (Note 24) RM'000	Share premium RM'000	Merger deficit RM'000	Foreign exchange reserve RM'000	Accumulated losses RM'000	Total RM'000		
At 1 April 2015		95,772	5,488	(13,509)	102	(57,407)	30,446	1,953	32,399
Loss for the financial year		-	-	-	-	(2,736)	(2,736)	(130)	(2,866)
Foreign currency translation gain of foreign operations		-	-	-	40	-	40	-	40
Total comprehensive loss for the year		-	-	-	40	(2,736)	(2,696)	(130)	(2,826)
Transactions with owners:									
Disposal of shares in a subsidiary to non-controlling interest	15	-	-	-	-	-	-	256	256
Acquisition of non-controlling interest in a subsidiary	15	-	-	-	-	1,714	1,714	(2,188)	(474)
Total transactions with owners		-	-	-	-	1,714	1,714	(1,932)	(218)
At 31 March 2016		95,772	5,488	(13,509)	142	(58,429)	29,464	(109)	29,355
At 1 April 2014		95,772	5,488	(13,509)	36	(53,167)	34,620	1,083	35,703
Loss for the financial year		-	-	-	-	(4,240)	(4,240)	870	(3,370)
Foreign currency translation gain of foreign operations		-	-	-	66	-	66	-	66
Total comprehensive loss for the year		-	-	-	66	(4,240)	(4,174)	870	(3,304)
At 31 March 2015		95,772	5,488	(13,509)	102	(57,407)	30,446	1,953	32,399

Company Statement of **Changes in Equity**

For the financial year ended 31 March 2016

	← Attributable to the Owners of the Company →			
		Non-Distributable		
	Share capital (Note 24)	Share premium	Accumulated losses	Total equity
Company	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 April 2015	95,772	5,488	(59,745)	41,515
Loss for the financial year representing total comprehensive loss for the year	-	-	(3,114)	(3,114)
At 31 March 2016	95,772	5,488	(62,859)	38,401
At 1 April 2014	95,772	5,488	(57,177)	44,083
Loss for the financial year representing total comprehensive loss for the year	-	-	(2,568)	(2,568)
At 31 March 2015	95,772	5,488	(59,745)	41,515

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 2016

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Cash Flows from Operating Activities				
Loss before taxation	(2,756)	(3,292)	(3,114)	(2,568)
Adjustments for:				
Depreciation of plant and equipment	418	596	105	147
Amortisation of intangible assets	93	110	81	101
Gain on disposal of plant and equipment	(37)	(3)	(65)	-
Plant and equipment written off	14	4	2	-
Gain on disposal of shares in a subsidiary	-	-	(136)	-
(Net write-back of allowance)/net allowance for impairment losses on receivables	(321)	874	-	-
Allowance for impairment loss on investment in a subsidiary	-	-	2,121	3,567
Allowance for impairment losses on amounts due from subsidiaries, net of write-back	-	-	2,000	-
Net allowance/(net write-back of allowance) for obsolete inventories	76	(27)	-	-
Bad debts written off	167	-	-	-
Unrealised foreign exhange gain	(28)	(20)	(5)	-
Interest expense	435	366	10	12
Interest income	(792)	(743)	(352)	(326)
Operating (loss)/profit before working capital changes	(2,731)	(2,135)	647	933
(Increase)/Decrease in inventories	(171)	1	-	-
Decrease/(Increase) in receivables	11,629	(1,521)	(91)	67
(Decrease)/Increase in payables	(9,126)	2,124	29	(27)
Increase in net amounts due from subsidiaries	-	-	(365)	(3,009)
Cash (used in)/generated from operations	(399)	(1,531)	220	(2,036)
Tax paid	(178)	(114)	-	-
Interest received	792	743	352	326
Interest paid	(435)	(366)	(10)	(12)
Net cash (used in)/from operating activities	(220)	(1,268)	562	(1,722)

Statements of **Cash Flows**

For the financial year ended 31 March 2016

Cont'd

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Cash Flows from Investing Activities				
Purchase of plant and equipment (Note 13)	(679)	(200)	-	(17)
Purchase of intangible assets (Note 14)	(11)	(74)	-	(26)
Proceeds from disposal of plant and equipment	90	9	65	6
Proceeds from disposal of shares in a subsidiary to non-controlling interest	256	-	256	-
Acquisition of additional shares in a subsidiary from non-controlling interest	(474)	-	(474)	-
Net cash used in investing activities	(818)	(265)	(153)	(37)
Cash Flows from Financing Activities				
Drawdown of borrowings	-	5,905	-	-
Repayment of borrowings	(1,821)	(721)	-	-
Repayment of hire purchase liabilities	(32)	(68)	(32)	(68)
Net cash (used in)/from financing activities	(1,853)	5,116	(32)	(68)
Net (decrease)/increase in cash and cash equivalents	(2,891)	3,583	377	(1,827)
Effect of exchange rate fluctuations	40	66	-	-
Cash and cash equivalents at beginning of year	26,535	22,886	10,425	12,252
Cash and cash equivalents at end of year (Note 23)	23,684	26,535	10,802	10,425

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

Notes to the **Financial Statements**

31 March 2016

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 15.

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 2016.

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.

The accounting policies applied by the Group are consistent with those applied in the previous financial year other than the application of the amendments to MFRSs as disclosed in Note 2.2 below.

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) unless otherwise presented.

2.2 Application of Amendments to MFRSs

During the financial year, the Group has applied the following amendments to MFRSs which are effective for accounting period of the Group beginning on or after 1 April 2015:-

Amendments to MFRS 119, Defined Benefit Plans: Employee Contributions
Amendments to MFRSs Classified as "Annual Improvements to MFRSs 2011- 2013 Cycle"
Amendments to MFRSs Classified as "Annual Improvements to MFRSs 2010- 2012 Cycle"

The initial application of the amendments to MFRSs have no significant impact on the financial statements of the Group and of the Company.

Notes to the **Financial Statements**

31 March 2016

Cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 New MFRSs 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 and amendments to MFRSs which have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective:-

Effective for annual periods beginning on or after 1 January 2016

Amendment to MFRS 14, Regulatory Deferral Accounts
Amendments to MFRS 11- Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 116 and MFRS 138- Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141- Agriculture: Bearer Plants
Amendments to MFRS 127- Equity Method in Separate Financial Statements
Amendments to MFRSs Classified as "Annual Improvements to MFRSs 2012- 2014 Cycle"
Amendments to MFRS 101- Disclosure Initiative
Amendments to MFRS 10, MFRS 12 and MFRS 128- Investment Entities: Applying the Consolidation Exception

Effective for annual periods beginning on or after 1 January 2017

Amendments to MFRS 107- Disclosure Initiative
Amendments to MFRS 112- Recognition of Deferred Tax Assets for Unrealised Losses

Effective for annual periods beginning on or after 1 January 2018

MFRS 9, Financial Instruments (IFRS 9 issued in July 2014)
MFRS 15- Revenue from Contracts with Customers

Effective for annual periods beginning on or after 1 January 2019

MFRS 16- Leases

Effective for annual periods beginning on or after a date to be determined by MASB

Amendments to MFRS 10 and MFRS 128- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group will apply the above new MFRSs and amendments to MFRSs that are applicable once they become effective. The main features of these new standards and amendments to standards are summarised below:-

(a) Amendments to MFRS 116 and MFRS 138- Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments provide additional guidance on how depreciation of property, plant and equipment and amortisation of intangible assets should be calculated.

MFRS 116, Property, Plant and Equipment and MFRS 138, Intangible Assets both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.

Notes to the **Financial Statements**

31 March 2016

Cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 New MFRSs and Amendments to MFRSs That Are Not Yet Effective and Have Not Been Early Adopted *cont'd*

(a) Amendments to MFRS 116 and MFRS 138- Clarification of Acceptable Methods of Depreciation and Amortisation *cont'd*

The amendments to MFRS 116 prohibit revenue-based depreciation on the basis that revenue does not reflect the way in which an item of property, plant and equipment is used or consumed. The amendments to MFRS 138 introduce a rebuttable presumption that an amortisation method that is based on revenue generated by an activity that includes the use of an intangible asset is inappropriate. The presumption can be overcome only in the limited circumstances (i) in which the intangible asset is expressed as a measure of revenue i.e. in the circumstances in which the predominant limiting factor that is inherent in an intangible asset is the achievement of a revenue threshold; or (ii) when it can be demonstrated that revenue and the consumption of the economic benefits of intangible assets are highly correlated.

(b) MFRS 15, Revenue from Contracts with Customers

MFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 111, MFRS 118 and the related IC Interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:-

Step 1 Identify the contract(s) with a customer

Step 2 Identify the performance obligations in the contract

Step 3 Determine the transaction price

Step 4 Allocate the transaction price to the performance obligations in the contract

Step 5 Recognise revenue when (or as) the entity satisfies a performance obligation

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. MFRS 15 also requires more extensive disclosures.

(c) MFRS 9, Financial Instruments (IFRS 9 issued in July 2014)

The Standard replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

Notes to the **Financial Statements**

31 March 2016

Cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 New MFRSs and Amendments to MFRSs That Are Not Yet Effective and Have Not Been Early Adopted *cont'd*

(c) MFRS 9, Financial Instruments (IFRS 9 issued in July 2014) *cont'd*

The key enhancements of MFRS 9 are:

- Under MFRS 9, all recognised financial assets are required to be subsequently measured at either amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") 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 under 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, except for the measurement of financial liabilities designated as at FVTPL. Under MFRS 139, the entire amount of the change in the fair value of the financial liability designated as FVTPL is presented in profit or loss. However, MFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's own credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

- In relation to the impairment of financial assets, MFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under MFRS 139. Under MFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in MFRS 139 i.e. fair value hedges, cash flow hedges and hedges of a net investment in a foreign operation. MFRS 9 incorporates a new hedge accounting model that aligns the hedge accounting more closely with an entity's risk management activities. The new hedge accounting model has also expanded the scope of eligibility of hedge items and hedging instruments respectively.

(d) MFRS 16, Leases

MFRS 16 will replace the existing standard on Leases, MFRS 117 when it becomes effective. Currently under MFRS 117, a lease is classified either as a finance lease or an operating lease based on the extent to which risks and rewards incidental to ownership of the leased asset lie with the lessor or the lessee. A lessee recognises the asset and liability arising from a finance lease but not an operating lease. MFRS 16 eliminates the distinction between finance leases and operating leases for lessees. Under the new standard, a lessee is required to recognise the assets and liabilities in respect of all leases, except for short-term leases of 12 months or less and leases of low value assets. At the commencement of a lease, a lessee recognises a right-of-use asset and a corresponding lease liability. The lessee will be required to separately recognise the depreciation on the right-of-use asset and interest expense on the lease liability. Lessor accounting remained substantially unchanged from the current accounting under MFRS 117.

Notes to the **Financial Statements**

31 March 2016

Cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 New MFRSs and Amendments to MFRSs That Are Not Yet Effective and Have Not Been Early Adopted *cont'd*

The initial application of MFRS 9 may have an impact on the financial statements of the Group and of the Company. However, it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed. The initial application of other new MFRSs and amendments to MFRSs is not expected to have any significant impact on the financial statements of the Group and of the Company.

2.4 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 or disposal group that are classified as held for sale which shall be recognised at fair value less costs to sell.

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.

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 or presented as a debit against equity.

Notes to the **Financial Statements**

31 March 2016

Cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.4 Basis of Consolidation *cont'd*

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. When necessary, adjustments are made to the financial statements of subsidiaries to ensure conformity with the Group's accounting policies. 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.

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. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received by the Group is recognised directly in equity and attributed to owners of the Company. 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.

2.5 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group:

- has power over the entity;
- is exposed, or has rights, to variable returns from its involvement with the entity; and
- has the ability to affect those returns through its power over the entity.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above.

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.

Notes to the **Financial Statements**

31 March 2016

Cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.6 Intangible Assets

(a) Goodwill

Goodwill acquired in a business combination is determined as described in Note 2.4 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.

2.7 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.

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.

Notes to the **Financial Statements**

31 March 2016

Cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.7 Plant and Equipment, and Depreciation *cont'd*

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.

2.8 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.

2.9 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.

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.

Notes to the **Financial Statements**

31 March 2016

Cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.9 Impairment of Non-financial Assets *cont'd*

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.

2.10 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.

2.11 Impairment of Financial Assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Notes to the **Financial Statements**

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Cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.11 Impairment of Financial Assets *cont'd*

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers 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 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.

2.12 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.

2.13 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.

2.14 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.

Notes to the **Financial Statements**

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Cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.14 Financial Liabilities *cont'd*

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

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.

2.15 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.

2.16 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.

2.17 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**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.18 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 2.7.

(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.

2.19 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.

Notes to the **Financial Statements**

31 March 2016

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.19 Income Tax *cont'd*

(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.

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.

Notes to the **Financial Statements**

31 March 2016

Cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.20 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.

(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.

2.21 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.

Notes to the **Financial Statements**

31 March 2016

Cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.21 Foreign Currencies *cont'd*

(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.

2.22 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 2.8.

(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.

Notes to the **Financial Statements**

31 March 2016

Cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.22 Revenue Recognition *cont'd*

(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.

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. 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 on cost of investment in subsidiaries are as disclosed in Note 15.

Notes to the **Financial Statements**

31 March 2016

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *cont'd*

(b) Key sources of estimation uncertainty *cont'd*

(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 capital allowances of the Group is RM1,038,000 (2015: RM640,000). The total unrecognised tax losses and capital allowances of the Group is RM81,601,000 (2015: RM79,957,000).

(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 17, 20 and 21.

(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.

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4. REVENUE

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
IT related products and services	56,396	76,242	-	-
Payment solutions and services	2,129	1,992	-	-
Management services	-	-	5,844	6,528
	58,525	78,234	5,844	6,528

5. OTHER INCOME

The following amounts have been included in other income:-

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Interest income:				
- deposits with licensed commercial banks	773	646	352	326
- others	19	97	-	-
Service fee charged to holding company	-	135	-	135
Gain on disposal of shares in a subsidiary (Note 15(b))	-	-	136	-
Gain on disposal of plant and equipment	70	5	65	-
Incentive from suppliers	-	97	-	-

6. OTHER EXPENSES

The following amounts have been included in other expenses:-

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Depreciation of plant and equipment (Note 13)	418	596	105	147
Amortisation of intangible assets (Note 14)	93	110	81	101
Allowance for impairment loss on investment in a subsidiary (Note 15)	-	-	2,121	3,567
Allowance for impairment losses on amounts due from subsidiaries, net of write-back (Note 17)	-	-	2,000	-
Rental of premises	991	956	204	210
Rental of equipment	27	37	8	12

Notes to the **Financial Statements**

31 March 2016

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7. FINANCE COSTS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Interest expense:				
- short term borrowings	401	279	-	-
- hire purchase	10	12	10	12
- other borrowing	24	75	-	-
	435	366	10	12
Finance charges on trade facilities	134	94	-	-
	569	460	10	12

8. LOSS BEFORE TAXATION

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Employee benefits expense (Note 9)	19,291	20,228	3,965	4,450
Auditors' remuneration:				
Statutory audit				
- current year provision	153	151	45	40
- underprovision in prior year	1	11	-	12
Other professional services	10	10	10	10
Realised foreign exchange loss	8	184	1	-
Unrealised foreign exhange gain	(28)	(20)	(5)	-
Non-executive directors' remuneration (Note 10)	140	133	140	133
Net allowance/(write-back of allowance) for obsolete inventories	76	(27)	-	-
Write-back of allowance for impairment losses on receivables (Note 20)	(631)	(15)	-	-
Allowance for impairment losses on receivables (Note 20)	310	889	-	-
Bad debts written off	167	-	-	-
Plant and equipment written off	14	4	2	-
Loss on disposal of plant and equipment	33	2	-	-
Leaseline rental	52	67	21	19

Notes to the **Financial Statements**

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9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	16,265	16,794	3,361	3,661
Social security contributions	177	175	23	25
Contributions to a defined contribution plan	1,921	1,972	383	430
Other staff related expenses	928	1,287	198	334
	19,291	20,228	3,965	4,450

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration (excluding benefits-in-kind) amounting to RM1,005,000 (2015: RM1,212,000) and RM202,000 (2015: RM795,000) respectively as further disclosed in Note 10.

10. DIRECTORS' REMUNERATION

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Executive Directors' remuneration:				
- Salaries, commission and incentives	180	712	180	712
- Contributions to a defined contribution plan	22	83	22	83
	202	795	202	795
Directors of subsidiaries				
Executive Directors' remuneration:				
- Salaries, commission and incentives	717	372	-	-
- Contributions to a defined contribution plan	86	45	-	-
	803	417	-	-
Total Executive Directors' remuneration (Note 9)	1,005	1,212	202	795
Non-Executive Directors' remuneration:				
- Fees	117	116	117	116
- Allowances	23	17	23	17
	140	133	140	133

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10. DIRECTORS' REMUNERATION *cont'd*

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total Directors' remuneration	1,145	1,345	342	928
Benefits-in-kind	66	111	66	87
Total Directors' remuneration including benefits-in-kind	1,211	1,456	408	1,015

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	
	2016	2015
Executive Directors:		
RM200,001 to RM250,000	1	1
RM550,001 to RM600,000	-	1
Non-Executive Directors:		
RM1 to RM50,000	4	3
RM50,001 to RM100,000	-	1

There was a change of position of an executive director to Non-Executive Director for the previous financial year.

11. TAXATION

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current year income tax:-				
- Malaysian income tax	11	78	-	-
- Overseas tax	95	-	-	-
Under provision in prior years	4	-	-	-
Total income tax expense	110	78	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the year.

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

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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	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Loss before taxation	(2,756)	(3,292)	(3,114)	(2,568)
Taxation at Malaysian statutory tax rate of 24% (2015: 25%)	(661)	(823)	(747)	(642)
Differential in tax rates of foreign countries	95	-	-	-
Expenses not deductible for tax purposes	252	188	1,074	933
Income not subject to taxation	(18)	(80)	(46)	-
Utilisation of previously unrecognised unabsorbed capital allowances	(864)	(270)	(237)	(210)
Utilisation of current year business losses surrendered by a subsidiary	-	-	(84)	(81)
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	1,302	1,063	40	-
Underprovision of income tax expense in respect of prior year	4	-	-	-
Income tax expense for the financial year	110	78	-	-

	Group	
	2016	**2015**
	RM'000	**RM'000**
Tax savings recognised during the financial year arising from:		
Utilisation of previously unrecognised unabsorbed capital allowances	864	270

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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	
	2016	**2015**
Loss attributable to ordinary equity owners of the Company (RM'000)	(2,736)	(4,240)
Weighted average number of ordinary shares in issue ('000)	383,087	383,087
Basic loss per share for the financial year (sen)	(0.71)	(1.11)

(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 2016					
Cost					
At 1 April 2015	7,090	4,737	674	999	13,500
Additions	520	71	61	27	679
Disposals	(143)	(242)	(350)	-	(735)
Write-off	(1,960)	(736)	-	(392)	(3,088)
At 31 March 2016	5,507	3,830	385	634	10,356
Accumulated Depreciation					
At 1 April 2015	6,589	4,303	461	999	12,352
Charge for the year (Note 6)	197	155	62	4	418
Disposals	(92)	(240)	(350)	-	(682)
Write-off	(1,950)	(732)	-	(392)	(3,074)
At 31 March 2016	4,744	3,486	173	611	9,014
Net Book Value					
At 31 March 2016	763	344	212	23	1,342

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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 2015					
Cost					
At 1 April 2014	7,090	5,296	674	411	13,471
Reclassification	-	(588)	-	588	-
Additions	31	169	-	-	200
Disposals	(31)	(97)	-	-	(128)
Write-off	-	(43)	-	-	(43)
At 31 March 2015	7,090	4,737	674	999	13,500
Accumulated Depreciation					
At 1 April 2014	6,324	4,800	406	387	11,917
Reclassification	-	(588)	-	588	-
Charge for the year (Note 6)	293	224	55	24	596
Disposals	(28)	(94)	-	-	(122)
Write-off	-	(39)	-	-	(39)
At 31 March 2015	6,589	4,303	461	999	12,352
Net Book Value					
At 31 March 2015	501	434	213	-	1,148

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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 2016					
Cost					
At 1 April 2015	747	146	586	150	1,629
Disposal	-	-	(309)	-	(309)
Write-off	(6)	-	-	(150)	(156)
At 31 March 2016	741	146	277	-	1,164
Accumulated Depreciation					
At 1 April 2015	653	81	373	150	1,257
Charge for the year (Note 6)	30	19	56	-	105
Disposal	-	-	(309)	-	(309)
Write-off	(4)	-	-	(150)	(154)
At 31 March 2016	679	100	120	-	899
Net Book Value					
At 31 March 2016	62	46	157	-	265
At 31 March 2015					
Cost					
At 1 April 2014	748	144	586	150	1,628
Additions	15	2	-	-	17
Disposal	(16)	-	-	-	(16)
At 31 March 2015	747	146	586	150	1,629
Accumulated Depreciation					
At 1 April 2014	602	62	318	138	1,120
Charge for the year (Note 6)	61	19	55	12	147
Disposal	(10)	-	-	-	(10)
At 31 March 2015	653	81	373	150	1,257
Net Book Value					
At 31 March 2015	94	65	213	-	372

Included in plant and equipment of the Group and of the Company are the costs of fully depreciated assets, which are still in use amounting to RM7,480,000 and RM306,000 (2015: RM10,824,000 and RM746,000) respectively.

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13. PLANT AND EQUIPMENT *cont'd*

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

	Group and Company	
	2016	**2015**
	RM'000	**RM'000**
Motor vehicles	157	213

Details of terms and conditions of the hire purchase arrangements are disclosed in Note 25.

14. INTANGIBLE ASSETS

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Computer Software				
Cost				
At 1 April 2015/2014	2,936	3,478	2,289	2,263
Additions	11	74	-	26
Write-off	(111)	(616)	-	-
At 31 March	2,836	2,936	2,289	2,289
Accumulated Amortisation				
At 1 April 2015/2014	2,710	3,216	2,052	1,951
Charge for the year (Note 6)	93	110	81	101
Write-off	(111)	(616)	-	-
At 31 March	2,692	2,710	2,133	2,052
Net Book Value				
At 31 March	144	226	156	237

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15. INVESTMENT IN SUBSIDIARIES

	Company 2016 RM'000	Company 2015 RM'000
Unquoted shares, at cost	81,709	83,466
Less: Accumulated impairment losses		
At 1 April 2015/2014	(65,392)	(61,825)
Reversal upon disposal of shares (Note 15(b))	2,111	-
Impairment loss for the year (Note 6)	(2,121)	(3,567)
At 31 March	(65,402)	(65,392)
	16,307	18,074

During the financial year, the management has undertaken an impairment review of the subsidiaries' operations. In assessing the recoverable amount of the cost of investment in the subsidiaries, the management has computed value-in-use based on discounted cash flows at a pre-tax discounted rate of 7.85% (2015: 7.85%). An allowance for impairment loss on investment in a subsidiary amounting to RM2,121,000 was recognised to impair in full the carrying amount of the subsidiary during the current financial year. In the previous financial year, an allowance for impairment loss on investment in a subsidiary amounting to RM3,567,000 was recognised to write down the carrying amount of the subsidiary to its recoverable amount of RM11,775,000.

(a) Composition of the Group

Details of the subsidiaries are as follows:

Name	Country of incorporation and operations	Company's effective interest 2016 %	Company's effective interest 2015 %	Principal Activities
Dataprep (Malaysia) Sendirian Berhad *	Malaysia	100	100	Provision of IT outsourcing and managed services.
Solsis (M) Sdn. Bhd. *	Malaysia	100	55	Provision of computer hardware, network services, applications and contact centre.
Solsisnet Sdn. Bhd. *	Malaysia	100	100	Provision of networking equipment, services and training.
Instant Office Sdn. Bhd. *	Malaysia	100	100	Provision of internet application services, distribution of ICT product and implementation services.

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15. INVESTMENT IN SUBSIDIARIES *cont'd*

(a) Composition of the Group *cont'd*

Name	Country of incorporation and operations	Company's effective interest 2016 %	Company's effective interest 2015 %	Principal Activities
Dataprep Payment Solutions Sdn. Bhd. *	Malaysia	100	100	Provision of information technology services and secured payment solutions.
Dataprep Distribution Sdn. Bhd. (In liquidation)	Malaysia	100	100	Under court winding up.
88 Daiman Sdn. Bhd. *	Malaysia	100	100	Dormant.
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.
Dataprep (HK) Limited @	Hong Kong SAR, People's Republic of China	100	100	Provision of information technology services and solutions.
Dataprep (Beijing) Limited @	People's Republic of China	100	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.*

(b) Information on a subsidiary that has material non-controlling interests previously

On 22 June 2015, the Company reduced its equity interest in Solsis (M) Sdn. Bhd. from 55% to 49% by disposing 1,015,200 ordinary shares of RM1.00 each, representing 6% equity interest to the non-controlling interest for a cash consideration of RM256,346. The carrying value of the interest disposed in the Company was RM119,987 net of attributable accumulated impairment loss of RM2,111,434. The difference between the consideration and the carrying value of the interest disposed amounting to RM136,359 is reflected as gain on disposal of shares in a subsidiary under other income in profit or loss of the Company as disclosed in Note 5. The disposal has the effect of increasing the non-controlling interest within equity of the Group by RM256,346.

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15. INVESTMENT IN SUBSIDIARIES *cont'd*

(b) Information on a subsidiary that has material non-controlling interests previously *cont'd*

Subsequently on 19 February 2016, the Company acquired the remaining 8,629,200 ordinary shares of RM1.00 each, representing 51% equity interest in Solsis (M) Sdn. Bhd. from its non-controlling interest for a cash consideration of RM474,606. Upon the acquisition, Solsis (M) Sdn. Bhd. became a wholly owned subsidiary of the Group. On the date of acquisition, the Group's carrying value of the additional non-controlling interest acquired was RM2,188,274. The difference between the consideration and the carrying value of the interest acquired amounting to RM1,713,668 is reflected as a gain attributed to the owners of the Company within equity of the Group.

The Group has no material non-controlling interest as at 31 March 2016. The comparative information of a non-wholly owned subsidiary of the Group is as disclosed below:

Name of subsidiary	Proportion of ownership interests and voting rights held by non-controlling interests	Profit allocated to non-controlling interests	Accumulated non-controlling interests
	2015	2015	2015
	%	RM'000	RM'000
Solsis (M) Sdn. Bhd.	45	870	1,922

Summarised financial information of Solsis (M) Sdn. Bhd. before intra-group elimination:-

	2015
	RM'000
Assets and liabilities as at 31 March 2015	
Non-current assets	54
Current assets	46,547
Current liabilities	(42,329)
Net assets	4,272
Total equity attributable to:	
Owners of the Company	2,350
Non-controlling interests	1,922
	4,272

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15. INVESTMENT IN SUBSIDIARIES *cont'd*

(b) Information on a subsidiary that has material non-controlling interests previously *cont'd*

	2015 RM'000
Profit or loss for year ended 31 March 2015	
Revenue	75,627
Other income	642
Expenses	(74,259)
Taxation	(76)
Profit for the year, representing total comprehensive income	1,934
Total comprehensive income attributable to:	
Owners of the Company	1,064
Non-controlling interests	870
	1,934
Cash flows for year ended 31 March 2015	
Net cash outflow from operating activities	(906)
Net cash outflow from investing activities	(47)
Net cash inflow from financing activities	5,184
Net cash inflow	4,231

16. OTHER INVESTMENTS

	Group	
	2016 RM'000	2015 RM'000
Club memberships, at cost	140	140
Less: Accumulated impairment losses	(49)	(49)
	91	91

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17. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2016	**2015**
	RM'000	**RM'000**
Amounts due from subsidiaries	51,182	50,817
Less: Allowance for impairment losses		
At 1 April 2015/2014	(37,933)	(37,933)
Writeback	4,641	-
Addition	(6,641)	-
Net impairment losses for the year (Note 6)	(2,000)	-
At 31 March	(39,933)	(37,933)
	11,249	12,884

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

Amounts due from subsidiaries that are impaired at the financial year end relate to loss making subsidiaries.

18. DEFERRED TAX

	Group	
	2016	**2015**
	RM'000	**RM'000**
At beginning of financial year/end of financial year	-	-
Presented after appropriate offsetting as follows:		
Deferred tax assets	249	288
Deferred tax liabilities	(249)	(288)
	-	-

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18. DEFERRED TAX *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:

	Unabsorbed Capital Allowances RM'000	Other Deductible Temporary Differences RM'000	Total RM'000
At 1 April 2015	160	128	288
Recognised in statement of comprehensive income	89	(128)	(39)
At 31 March 2016	249	-	249
At 1 April 2014	302	106	408
Recognised in statement of comprehensive income	(142)	22	(120)
At 31 March 2015	160	128	288

Deferred Tax Liabilities of the Group:

	Accelerated Capital Allowances RM'000	Total RM'000
At 1 April 2015	288	288
Recognised in statement of comprehensive income	(39)	(39)
At 31 March 2016	249	249
At 1 April 2014	408	408
Recognised in statement of comprehensive income	(120)	(120)
At 31 March 2015	288	288

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18. DEFERRED TAX *cont'd*

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Other deductible temporary differences	169	92	-	-
Unused tax losses	78,820	75,888	12,280	12,280
Unabsorbed capital allowances	2,781	4,069	598	1,228
	81,770	80,049	12,878	13,508

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.

19. INVENTORIES

	Group	
	2016	**2015**
	RM'000	**RM'000**
At cost		
Computer equipment, spares and supplies	1,345	1,173
EDC equipment and thermal roll paper	-	1
	1,345	1,174
Allowance for obsolete inventories		
At 1 April 2015/2014	(631)	(658)
Addition	(168)	(85)
Write-back	92	112
At 31 March	(707)	(631)
	638	543

The cost of inventories recognised as an expense during the financial year of the Group amounted to RM15,638,000 (2015: RM18,015,000).

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20. TRADE RECEIVABLES

	Group	
	2016	**2015**
	RM'000	**RM'000**
Trade receivables	14,565	22,758
Less: Allowance for impairment losses	(561)	(1,003)
	14,004	21,755
Due from customers on contracts (Note 22)	2,032	5,850
	16,036	27,605

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

Trade receivables include a balance of RM468,000 (RM1,443,000) 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	
	2016	**2015**
	RM'000	**RM'000**
Amount repayable on demand	468	642
Amount receivable within 1 year	-	801
	468	1,443

All other trade receivables are non-interest bearing and are generally on 90 days (2015: 90 days) terms.

Currency exposure

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

	Group	
	2016	**2015**
	RM'000	**RM'000**
Ringgit Malaysia	16,036	27,026
US Dollar	-	548
Renminbi	-	31
	16,036	27,605

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20. TRADE RECEIVABLES *cont'd*

Ageing analysis of trade receivables

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

	Group	
	2016	**2015**
	RM'000	**RM'000**
Neither past due nor impaired	5,218	6,420
1 to 30 days past due not impaired	1,816	7,047
31 to 60 days past due not impaired	2,541	4,448
61 to 90 days past due not impaired	3,167	1,797
More than 91 days past due not impaired	1,262	2,043
	8,786	15,335
Impaired	561	1,003
	14,565	22,758

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM8,786,000 (2015: RM15,335,000) 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	
	2016	**2015**
	RM'000	**RM'000**
Trade receivables- nominal amount	561	1,003
Less: Allowance for impairment losses	(561)	(1,003)
	-	-

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20. TRADE RECEIVABLES *cont'd*

Receivables that are impaired *cont'd*

Movement in the allowance account:

	Group	
	2016	2015
	RM'000	RM'000
At 1 April 2015/2014	1,003	260
Addition (Note 8)	310	889
Write-back (Note 8)	(631)	(15)
Write-off	(121)	(131)
At 31 March	561	1,003

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.

21. OTHER RECEIVABLES

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Prepayments	533	475	49	20
Deposits	371	372	5	5
Advances to employees	26	38	-	15
Other advances	3,000	3,000	-	-
Interest income receivable	26	26	26	26
Goods and Services Tax (GST) receivables	-	-	93	-
Sundry receivables	224	175	3	19
	4,180	4,086	176	85
Allowance for impairment loss	(3,000)	(3,000)	-	-
	1,180	1,086	176	85

The Group had made an allowance of RM3,000,000 in previous financial years for impairment loss of advances granted to a main local contractor in connection with an overseas contract awarded to a subsidiary.

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22. DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	Group	
	2016	**2015**
	RM'000	**RM'000**
Contract costs incurred to date	93,480	86,558
Attributable profits	10,386	9,893
	103,866	96,451
Less: Progress billings including retention sums of RM522,000 (2015: RM522,000)	(102,638)	(91,247)
	1,228	5,204
Due from customers on contracts (Note 20)	2,032	5,850
Due to customers on contracts (Note 26)	(804)	(646)
	1,228	5,204
Contract revenue recognised	18,737	26,167
Contract costs recognised as expense	16,272	22,802

23. CASH AND BANK BALANCES

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deposits with licensed commercial banks	18,762	18,404	10,173	10,120
Cash and bank balances	4,922	8,131	629	305
Cash and cash equivalents	23,684	26,535	10,802	10,425

Deposits of RM9,943,000 (2015: RM9,566,000) for the Group and RM1,673,000 (2015: RM1,620,000) for the Company are pledged as security for banking facilities granted to the Group and hence, are not available for general use.

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
	%	**%**	**%**	**%**
Licensed Commercial Banks	3.2-3.90	3.2-3.45	3.2-3.90	3.2-3.45

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23. CASH AND BANK BALANCES *cont'd*

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
	Days	**Days**	**Days**	**Days**
Licensed Commercial Banks	30 - 365	30 - 365	30 - 180	30 - 180

24. SHARE CAPITAL

	Group and Company			
	Number of Ordinary Shares of RM0.25 each		Amount	
	2016	**2015**	**2016**	**2015**
	'000	**'000**	**RM'000**	**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

Changes to the authorised share capital and issued share capital subsequent to the year end from the undertaking of a corporate exercise are as disclosed in Note 35.

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25. BORROWINGS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-current				
Secured:				
Hire purchase payables	178	204	178	204
Current				
Secured:				
Hire purchase payables	26	32	26	32
Banker acceptances	6,625	7,660	-	-
Other borrowing	-	786	-	-
	6,651	8,478	26	32
Total borrowings	6,829	8,682	204	236

The banker acceptances facility is secured by way of a charge over the fixed deposits of the Company and of a subsidiary plus a corporate guarantee by the Company.

Interest on banker acceptances are charged at the rate of 5.84% (2015: 5.84%) per annum.

Other borrowing in the previous financial year obtained to finance a trade purchase was secured by a lien over the goods. The borrowing was repayable over 36 monthly instalments and borne effective interest rate of 7.15% per annum.

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
On demand or within one year	6,651	8,478	26	32
More than 1 year and less than 2 years	27	26	27	26
More than 2 year and less than 5 years	90	86	90	86
More than 5 years	61	92	61	92
	6,829	8,682	204	236

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25. BORROWINGS *cont'd*

Obligations under hire purchases

	Group and Company	
	2016	**2015**
	RM'000	**RM'000**
Future minimum payments:		
Not later than 1 year	35	42
Later than 1 year and not later than 2 years	35	35
Later than 2 years and not later than 5 years	104	104
Later than 5 years	63	98
Total future minimum payments	237	279
Less: Future finance charges	(33)	(43)
Present value of hire purchase liabilities	204	236

Hire purchase liabilities bear effective interest rate of 4.44 % (2015: 4.2% to 4.44%) per annum.

26. TRADE PAYABLES

	Group	
	2016	**2015**
	RM'000	**RM'000**
Trade payables	2,237	11,410
Due to customers on contracts (Note 22)	804	646
	3,041	12,056

The credit terms of the Group's trade payables range from 60 days to 90 days (2015: 60 days to 90 days).

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

	Group	
	2016	**2015**
	RM'000	**RM'000**
Ringgit Malaysia	2,407	10,739
US Dollar	634	1,317
	3,041	12,056

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27. OTHER PAYABLES

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Accrued professional fees	194	172	61	46
Accruals on staff costs	1,157	75	147	-
Deferred income	1,078	1,429	-	-
Deposits from customers	1,197	1,257	-	-
Sundry payables	136	926	19	166
Other accruals	156	219	123	114
Goods and Services Tax (GST) payables	21	-	-	-
	3,939	4,078	350	326

28. 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	
	2016	**2015**
	RM'000	**RM'000**
Management services charged to the subsidiaries (Note 4)	5,844	6,528

(ii) Year-end outstanding balances

	Company	
	2016	**2015**
	RM'000	**RM'000**
Amounts due from subsidiaries	51,182	50,817
Less: Allowance for impairment losses	(39,933)	(37,933)
	11,249	12,884

The terms and conditions of the abovementioned balances are disclosed in Note 17.

Allowance for impairment losses net of write-back, recognised as an expense in the current financial year amounted to RM2,000,000 (2015: Nil).

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28. RELATED PARTY DISCLOSURES *cont'd*

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

(i) *Transactions*

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Disposal of shares in a subsidiary to non-controlling interest #	256	-	256	-
Acquisition of additional shares in a subsidiary from non-controlling interest #	474	-	474	-
Consultancy fee charged to 3rd Valley (Zhangjiakou) Resort Corporation *	-	61	-	-
Service fee charged to VXL Holdings Sdn. Bhd.	-	135	-	135

* *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.*

\# *Non-controlling interest refers to Ahmad Rizan Bin Ibrahim who is a director of the Company as at the end of the financial year.*

(ii) *Year-end outstanding balances*

	Group	
	2016	2015
	RM'000	RM'000
Included in trade receivables:-		
3rd Valley (Zhangjiakou) Resort Corporation *	-	579

(c) Compensation of key management personnel

The remuneration of all the Directors and other members of key management for the financial year were as follows:

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Short term employee benefits	1,205	1,552	996	1,552
Post-employment benefits				
- Defined contribution plan	145	170	120	170
	1,350	1,722	1,116	1,722

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29. OPERATING LEASE COMMITMENTS

	Group	
	2016	**2015**
	RM'000	**RM'000**
Future minimum rental payable:		
Not later than 1 year	867	330
Later than 1 year and not later than 5 years	1,125	10
	1,992	340

30. CONTINGENT LIABILITIES

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Corporate Guarantees given to financial institutions for performance guarantee of a subsidiary (secured)	4,079	4,305	4,079	4,305

31. 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 of the Company also include amounts due from subsidiaries.

Notes to the **Financial Statements**

31 March 2016

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31. FINANCIAL INSTRUMENTS *cont'd*

A. Categories of Financial Instruments

Financial assets as per statements of financial position

2016

	Group		Company	
	Carrying amount	Loans and receivables	Carrying amount	Loans and receivables
	RM'000	RM'000	RM'000	RM'000
Trade receivables	14,004	14,004	-	-
Other receivables	647	647	127	127
Deposits, cash and bank balances	23,684	23,684	10,802	10,802
Amounts due from subsidiaries	-	-	11,249	11,249
	38,335	38,335	22,178	22,178

2015

	Group		Company	
	Carrying amount	Loans and receivables	Carrying amount	Loans and receivables
	RM'000	RM'000	RM'000	RM'000
Trade receivables	21,755	21,755	-	-
Other receivables	611	611	65	65
Deposits, cash and bank balances	26,535	26,535	10,425	10,425
Amounts due from subsidiaries	-	-	12,884	12,884
	48,901	48,901	23,374	23,374

Notes to the **Financial Statements**

31 March 2016

Cont'd

31. FINANCIAL INSTRUMENTS *cont'd*

A. Categories of Financial Instruments *cont'd*

Financial liabilities as per statements of financial position

2016

	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	2,237	2,237	-	-
Other payables	2,861	2,861	350	350
Borrowings	6,829	6,829	204	204
	11,927	11,927	554	554

2015

	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	11,410	11,410	-	-
Other payables	2,649	2,649	326	326
Borrowings	8,682	8,682	236	236
	22,741	22,741	562	562

Notes to the **Financial Statements**

31 March 2016

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31. FINANCIAL INSTRUMENTS *cont'd*

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 2016:		
Hire purchase payables (Note 25)	204	237
At 31 March 2015:		
Hire purchase payables (Note 25)	236	300

(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 banker acceptances and other borrowing approximate their fair values due to the relatively short term nature of these financial instruments.

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

32. 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 acceptances 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 banker acceptances facility is based on floating rate but such rate is fixed for each drawdown.

Notes to the **Financial Statements**

31 March 2016

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(a) Interest rate risk *cont'd*

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, banker acceptances 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.

(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 unhedged financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

	Net Financial Assets/(Liabilities) Held in Non-Functional Currencies		
Functional Currency of Group Companies	**United States Dollar (USD)**	**Renminbi (RMB)**	**Total**
	RM'000	**RM'000**	**RM'000**
At 31 March 2016			
Ringgit Malaysia	(634)	-	(634)
At 31 March 2015			
Ringgit Malaysia	(770)	31	(739)

Foreign currency risk sensitivity analysis

A 10 percent strengthening or weakening of the USD and RMB 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	
	2016	**2015**
	RM'000	**RM'000**
USD	63	77
RMB	-	3

Notes to the **Financial Statements**

31 March 2016

Cont'd

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(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	Later than 5 years RM'000	Total RM'000	Effective interest rate %
2016					
Financial liabilities					
Trade payables	2,237	-	-	2,237	-
Other payables	2,861	-	-	2,861	-
Hire purchase payables	35	139	63	237	4.44%
Banker acceptances	6,625	-	-	6,625	5.84%
	11,758	139	63	11,960	
2015					
Financial liabilities					
Trade payables	11,410	-	-	11,410	-
Other payables	2,649	-	-	2,649	-
Hire purchase payables	42	139	98	279	4.2% to 4.44%
Banker acceptances	7,660	-	-	7,660	5.84%
Other borrowing	812	-	-	812	7.15%
	22,573	139	98	22,810	

Notes to the **Financial Statements**

31 March 2016

Cont'd

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(c) Liquidity risk *cont'd*

Company

	Maturity Profile				
	Less than 1 year	**More than 1 year and less than 5 years**	**Later than 5 years**	**Total**	**Effective interest rate**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**%**
2016					
Financial liabilities					
Other payables	350	-	-	350	-
Hire purchase payables	35	139	63	237	4.44%
	385	139	63	587	
2015					
Financial liabilities					
Other payables	326	-	-	326	-
Hire purchase payables	42	139	98	279	4.2% to 4.44%
	368	139	98	605	

(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 to reduce the Group's exposure to bad debts. 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 20.

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.

Notes to the **Financial Statements**

31 March 2016

Cont'd

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(d) Credit risk *cont'd*

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:

	2016 RM'000	2015 RM'000
By industry sectors:		
Government agencies and linked corporations	6,997	4,882
Private corporations	7,007	16,873
	14,004	21,755

As at the financial year end, approximately 63% (2015: 62%) of trade receivables are from 4 (2015: 4) major customers.

33. 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 is as follows:

	Group	
	2016	2015
Total debts (RM'000)	13,809	24,816
Equity attributable to the owners of the Company, representing total capital (RM'000)	29,464	30,446
Debts to equity ratio	47%	82%

Notes to the **Financial Statements**

31 March 2016

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34. 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 2016

	IT related products and services RM'000	Payment solutions & services RM'000	Elimination RM'000	Group RM'000
Revenue				
External sales	56,396	2,129	-	58,525
Intersegment sales	182	-	(182)	-
Total revenue	56,578	2,129	(182)	58,525
RESULTS				
Segment (loss)/profit	(3,958)	152	5,844	2,038
Interest income				792
Unallocated expenses				(5,151)
Loss from operations				(2,321)
Interest expense				(435)
Loss before tax				(2,756)
Taxation				(110)
Loss after tax				(2,866)

Notes to the **Financial Statements**

31 March 2016

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34. SEGMENTAL INFORMATION *cont'd*

Business Segments *cont'd*

31 March 2016 *cont'd*

	IT related products and services RM'000	Payment solutions & services RM'000	Elimination RM'000	Group RM'000
OTHER INFORMATION				
Segment assets	40,001	2,637	-	42,638
Unallocated assets				539
Total assets				43,177
Segment liabilities	6,537	2,296	-	8,833
Unallocated liabilities				4,989
Total liabilities				13,822
Capital expenditure	622	68	-	690
Depreciation and amortisation	386	125	-	511
Plant and equipment written off	10	4	-	14
Net write back of allowance for impairment losses on receivables	(279)	(42)	-	(321)
Net allowance for obsolete inventories	76	-	-	76
Gain on disposal of plant and equipment	(65)	(5)	-	(70)
Loss on disposal of plant and equipment	33	-	-	33

31 March 2015

	IT related products and services RM'000	Payment solutions & services RM'000	Elimination RM'000	Group RM'000
Revenue				
External sales	76,242	1,992	-	78,234
Intersegment sales	204	-	(204)	-
Total revenue	76,446	1,992	(204)	78,234

Notes to the **Financial Statements**

31 March 2016

Cont'd

34. SEGMENTAL INFORMATION *cont'd*

Business Segments *cont'd*

31 March 2015 *cont'd*

	IT related products and services RM'000	Payment solutions & services RM'000	Elimination RM'000	Group RM'000
RESULTS				
Segment loss	(4,076)	(176)	6,528	2,276
Interest income				743
Unallocated expenses				(5,945)
Loss from operations				(2,926)
Interest expense				(366)
Loss before tax				(3,292)
Taxation				(78)
Loss after tax				(3,370)
OTHER INFORMATION				
Segment assets	53,209	3,567	-	56,776
Unallocated assets				460
Total assets				57,236
Segment liabilities	16,415	3,410	-	19,825
Unallocated liabilities				5,012
Total liabilities				24,837
Capital expenditure	154	120	-	274
Depreciation and amortisation	501	205	-	706
Plant and equipment written off	-	4	-	4
Net allowance for impairment losses on receivables	768	106	-	874
Net write back of allowance for obsolete inventories	(27)	-	-	(27)
Gain on disposal of plant and equipment	(2)	(3)	-	(5)
Loss on disposal of plant and equipment	2	-	-	2

Segment assets consist of primarily 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) and intangible assets (Note 14) including those resulting from acquisitions.

Notes to the **Financial Statements**

31 March 2016

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35. SIGNIFICANT EVENT DURING THE YEAR AND SUBSEQUENT EVENTS

On 13 January 2016, the Company had announced that it would undertake a corporate exercise comprising the following proposals (collectively "the Proposals"):-

i. Proposed reduction of the share premium account of the Company amounting to RM5,488,032 pursuant to Section 60(2) and 64(1) of the Companies Act, 1965 ("Act") ("Proposed Share Premium Reduction"). The credit arising from the Proposed Share Premium Reduction shall be utilised to set-off against the accumulated losses of the Company.

ii. Proposed reduction of the issued and paid up share capital of the Company pursuant to Section 64(1) of the Act, involving cancellation of RM0.15 from the par value of every existing ordinary share of RM0.25 each in the Company ("Proposed Par Value Reduction"). The credit of RM57,463,079 arising from the Proposed Par Value Reduction shall be utilised to further set-off against the accumulated losses of the Company after the Proposed Share Premium Reduction, and any remaining credit will be credited to the retained earnings of the Company.

iii. Proposed private placement of up to 38,308,719 new ordinary shares of RM0.10 each in the Company ("Placement Shares"), representing up to 10% of the issued and paid up share capital of the Company after the Proposed Share Premium Reduction and Proposed Par Value Reduction ("Proposed Private Placement"). The Placement Shares shall be placed to VXL Holdings Sdn Bhd, the Company's holding company at an issue price to be determined after the Proposed Share Premium Reduction and the Proposed Par Value Reduction. Datuk Lim Chee Wah, a director of the Company is a substantial shareholder of VXL Holdings Sdn Bhd. The proceeds raised from the proposed private placement shall be utilised for repayment of bank borrowings, working capital requirements and to settle the expenses for the corporate exercise.

iv. Proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Par Value Reduction ("Proposed M & A Amendments"). Pursuant thereto, the authorised capital shall be altered from 2,000,000,000 shares of RM0.25 each to 5,000,000,000 shares of RM0.10 each.

The Company obtained the approval of Bursa Malaysia Securities Berhad ("Bursa Securities") vide its letter dated 2 March 2016 for the listing of the Placement Shares on the Main Market of Bursa Securities and the shareholders of the Company approved the Proposals at its Extraordinary General Meeting held on 4 April 2016.

On 4 May 2016, the Company lodged the sealed order of the High Court of Malaya, Kuala Lumpur dated 25 April 2016 sanctioning the Proposed Share Premium Reduction and Proposed Par Value Reduction with the Companies Commission of Malaysia and as such, these proposals were deemed completed on 4 May 2016. Pursuant to the completion of the Par Value Reduction, the issued and paid up share capital of the Company was reduced from RM95,771,798, representing 383,087,192 shares of RM0.25 each to RM38,308,719, representing 383,087,192 shares of RM0.10 each.

The issue price of 38,308,632 Placement Shares pursuant to the Proposed Private Placement was fixed by the Board of Directors at RM0.145 per share on 16 May 2016 ("price-fixing date") with total proceeds of RM5,554,752. The issue price represents a discount of approximately 6.8% to the five (5)-day volume weighted average market price of the ordinary shares of RM0.10 each in the Company up to and including 13 May 2016, being the market day immediately preceding the price-fixing date, of RM0.1556 per ordinary share.

Notes to the **Financial Statements**

31 March 2016

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35. SIGNIFICANT EVENT DURING THE YEAR AND SUBSEQUENT EVENTS *cont'd*

On 20 May 2016, the Company issued the Placement Shares which increased the issued and paid up share capital of the Company from RM38,308,719, representing 383,087,192 shares of RM0.10 each to RM42,139,582, representing 421,395,824 shares of RM0.10 each on that date and the Placement Shares were listed and quoted on the Main Market of Bursa Securities on 23 May 2016. The issuance of the Placement Shares resulted in share premium of RM1,723,888.

The proceeds raised of RM5,554,752 will be utilised as follows:-

	RM
Repayment of bank borrowings*	4,967,752
Working capital requirements*	287,000
Settlement of estimated expenses for the corporate exercise**	300,000
Total proceeds	5,554,752

* *Utilisation of proceeds within six (6) months from the date of the listing of the Placement Shares.*

** *Utilisation of proceeds within three (3) months from the date of the listing of the Placement Shares.*

Notes to the **Financial Statements**

31 March 2016

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36. 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	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Total accumulated losses				
- Realised accumulated losses	(173,851)	(169,076)	(62,859)	(59,745)
- Unrealised accumulated losses	-	-	-	-
	(173,851)	(169,076)	(62,859)	(59,745)
Less: Consolidation adjustments	115,422	111,669	-	-
Accumulated losses as per financial statements	(58,429)	(57,407)	(62,859)	(59,745)

Statement by **Directors**

Pursuant to Section 169(15) of the Companies Act, 1965

We, Tan Sri Datuk Adzmi Bin Abdul Wahab and Tan Hock Chye, being two of the Directors of Dataprep Holdings Bhd., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 45 to 107 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 2016 and of their financial performance and cash flows for the financial year then ended.

The information set out in Note 36 to the financial statements on page 107 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 2016.

Tan Sri Datuk Adzmi Bin Abdul Wahab
Chairman

Tan Hock Chye
Director

Date: 31 May 2016

Statutory **Declaration**

Pursuant to Section 169(16) of the Companies Act, 1965

I, Geng Mun Mooi, the Officer primarily responsible for the financial management of Dataprep Holdings Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 45 to 107 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,
Geng Mun Mooi at Petaling Jaya, Selangor Darul Ehsan
on 31 May 2016.

Geng Mun Mooi

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 2016 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 45 to 107.

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 2016 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.

Independent **Auditors' Report**

To the Members of Dataprep Holdings Bhd. (Incorporated in Malaysia)

Cont'd

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 15 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.

Other Reporting Responsibilities

The supplementary information set out in Note 36 on page 107 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: 996/03/18(J/PH)
CHARTERED ACCOUNTANT

Kuala Lumpur

Date: 31 May 2016

Analysis of **Shareholdings**

As at 30 June 2016

Authorised Capital	**:**	**RM500,000,000 divided into 5,000,000,000 ordinary shares of RM0.10 each**
Issued and Paid-up Capital	**:**	**RM42,139,582.40**
Class of Shares	**:**	**Ordinary shares of RM0.10 each**
Voting Rights	**:**	**One vote per ordinary share**

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	% of shareholders	No. of Shares	% of Issued Share Capital
Less than 100	132	2.79	5,166	0.00
100 - 1,000	1,346	28.40	893,632	0.21
1,001 - 10,000	1,745	36.82	8,956,985	2.13
10,001 - 100,000	1,323	27.92	48,678,790	11.55
100,001 to less than 5% of issued shares	192	4.05	92,320,451	21.91
5% and above of issued shares	1	0.02	270,540,800	64.20
Total	**4,739**	**100.00**	**421,395,824**	**100.00**

DIRECTORS' SHAREHOLDINGS

		No. of Shares		No. of Shares	
No.	**Name of Directors**	**Direct Interest**	**%**	**Indirect Interest**	**%**
1	Tan Sri Datuk Adzmi Bin Abdul Wahab *Citigroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tan Sri Datuk Adzmi Bin Abdul Wahab)*	203,125	0.05	-	-
2	Datuk Lim Chee Wah	1,062,500	0.25	270,540,800 (1)	64.20
3	Michael Yee Kim Shing	-	-	-	-
4	Yeow Soo Hiang	-	-	-	-
5	Tan Hock Chye	322	0.00	-	-

SUBSTANTIAL SHAREHOLDER

No.	Name of Substantial Shareholder	No. of Shares	%
1	VXL Holdings Sdn Bhd	270,540,800	64.20

Note:

(1) Deemed interested through VXL Holdings Sdn Bhd.

Analysis of **Shareholdings**

As at 30 June 2016

Cont'd

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	VXL HOLDINGS SDN BHD	270,540,800	64.20
2	RHB NOMINEES (ASING) SDN BHD *(PARCO RESOURCES CORP)*	7,959,650	1.89
3	AMSEC NOMINEES (ASING) SDN BHD *(VIELLE INTERNATIONAL LTD)*	7,812,400	1.85
4	RHB NOMINEES (ASING) SDN BHD *(THE KERMARTIN GROUP INC)*	7,686,000	1.82
5	CIMSEC NOMINEES (ASING) SDN BHD *(PLEDGED SECURITIES ACCOUNT FOR MAUWI INCORPORATED)*	7,560,800	1.79
6	LAU KOK SENG	6,382,600	1.51
7	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *(PLEDGED SECURITIES ACCOUNT FOR HENG AH MOI)*	1,700,000	0.40
8	TA NOMINEES (TEMPATAN) SDN BHD *(PLEDGED SECURITIES ACCOUNT FOR LIM KA KIAT)*	1,600,000	0.38
9	CH'NG KENG SWEE	1,450,000	0.34
10	YONG KAR KEONG	1,397,200	0.33
11	NG YOKE HIN	1,326,100	0.31
12	MERCSEC NOMINEES (TEMPATAN) SDN BHD *(PLEDGED SECURITIES ACCOUNT FOR HO LIH MENG)*	1,300,000	0.31
13	LAU CHOW FOW	1,251,700	0.30
14	LIM CHEE WAH	1,062,500	0.25
15	TAN BEE HONG	984,200	0.23
16	PUBLIC NOMINEES (TEMPATAN) SDN BHD *(PLEDGED SECURITIES ACCOUNT FOR TEE KIM HEW)*	982,300	0.23
17	AMSEC NOMINEES (TEMPATAN) SDN BHD *(PLEDGED SECURITIES ACCOUNT FOR TING BEE TOO)*	898,500	0.21
18	PUBLIC NOMINEES (TEMPATAN) SDN BHD *(PLEDGED SECURITIES ACCOUNT FOR YONG SHU KONG)*	873,600	0.21
19	CIMSEC NOMINEES (TEMPATAN) SDN BHD *(PLEDGED SECURITIES ACCOUNT FOR CHAN FOONG CHENG)*	856,000	0.20
20	TOI AH LEK	820,000	0.19
21	SAM FONG @ CHAN SAM FONG	730,000	0.17
22	SYED AKBAR ALI	650,000	0.15
23	PUBLIC NOMINEES (TEMPATAN) SDN BHD *(PLEDGED SECURITIES ACCOUNT FOR LEE POH HOCK)*	600,000	0.14
24	GOH HONG HWA	573,500	0.14
25	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD *(PLEDGED SECURITIES ACCOUNT FOR THAM AH LAN)*	571,100	0.14
26	YONG YOONG THIAM	570,000	0.14
27	PENG YEW MUN	531,300	0.13
28	MIRZAN BIN MAHATHIR	501,000	0.12
29	GOH CHENG HOE	500,000	0.12
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD *(PLEDGED SECURITIES ACCOUNT FOR CHONG CHUI FUN)*	500,000	0.12
	Total	**330,171,250**	**78.35**

No. of shares held	CDS Account No.

DATAPREP
Since 1971

PROXY FORM

I/We ____

NRIC No./Passport No./Company No. ______________________ of ______________________

____

being a member/members of **Dataprep Holdings Bhd.** ("the Company"), hereby appoint ______________________

______________________ NRIC No./Passport No. ______________________

of ____

or failing him/her, ____

NRIC No./Passport No. ______________________ of ______________________

____

as my/our proxy/representative to vote for me/us and on my/our behalf at the Twenty-Seventh Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 17 August 2016 at 2.30 p.m. and any adjournment thereof, and to vote as indicated below:

	Resolution	For	Against
1.	To re-elect Mr Tan Hock Chye who retires pursuant to Article 103 of the Company's Articles of Association. ***(RESOLUTION 1)***		
2.	To re-elect Mr Yeow Soo Hiang who retires pursuant to Article 103 of the Company's Articles of Association. ***(RESOLUTION 2)***		
3.	To re-appoint Tan Sri Datuk Adzmi Bin Abdul Wahab, pursuant to Section 129(6) of the Companies Act, 1965. ***(RESOLUTION 3)***		
4.	To re-appoint Mr Michael Yee Kim Shing, pursuant to Section 129(6) of the Companies Act, 1965. ***(RESOLUTION 4)***		
5.	To approve the payment of Directors' Fees of RM129,000 for the financial year ended 31 March 2016. ***(RESOLUTION 5)***		
6.	To re-appoint Messrs Folks DFK & Co as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. ***(RESOLUTION 6)***		
7.	Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965. ***(RESOLUTION 7)***		
8.	Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature. ***(RESOLUTION 8)***		
9.	To retain Tan Sri Datuk Adzmi Bin Abdul Wahab as Independent Non-Executive Director. ***(RESOLUTION 9)***		
10.	To retain Mr Michael Yee Kim Shing as Independent Non-Executive Director. ***(RESOLUTION 10)***		
11.	To consider any other business of which due notice shall have been given. ***(RESOLUTION 11)***		

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

Dated this __________ day of ______________________ 2016

Contact No. ______________________

____
Signature of Shareholder or Common Seal

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

	Shares	%
First Proxy		
Second Proxy		
Total		

Notes:

1. *A member entitled to attend, speak and vote at the 27th Annual General Meeting is entitled to appoint not more than two (2) proxies to attend, speak and vote instead of the member at the meeting. A proxy may but need not be a member of the Company.*
2. *Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holding to be represented by each proxy.*
3. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company.*
4. *The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or the hand of the attorney duly authorised.*
5. *The Form of Proxy shall not be treated as valid unless the posted Form is received or the Form is 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 Darul Ehsan, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. Forms of Proxy transmitted by fax or email will not be accepted. The Company will not accept any photocopies of the form of proxy in place of the original signed copy.*
6. *For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Article 53 of the Articles of Association of the Company, a Record of Depositors as at 10 August 2016 and only a depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting.*

Fold This Flap For Sealing

Then Fold Here

AFFIX
STAMP

THE COMPANY SECRETARY

DATAPREP HOLDINGS BHD. (183059-H)
Suite 5.02, 5th Floor
Wisma Academy
No. 4A, Jalan 19/1
46300 Petaling Jaya
Selangor Darul Ehsan

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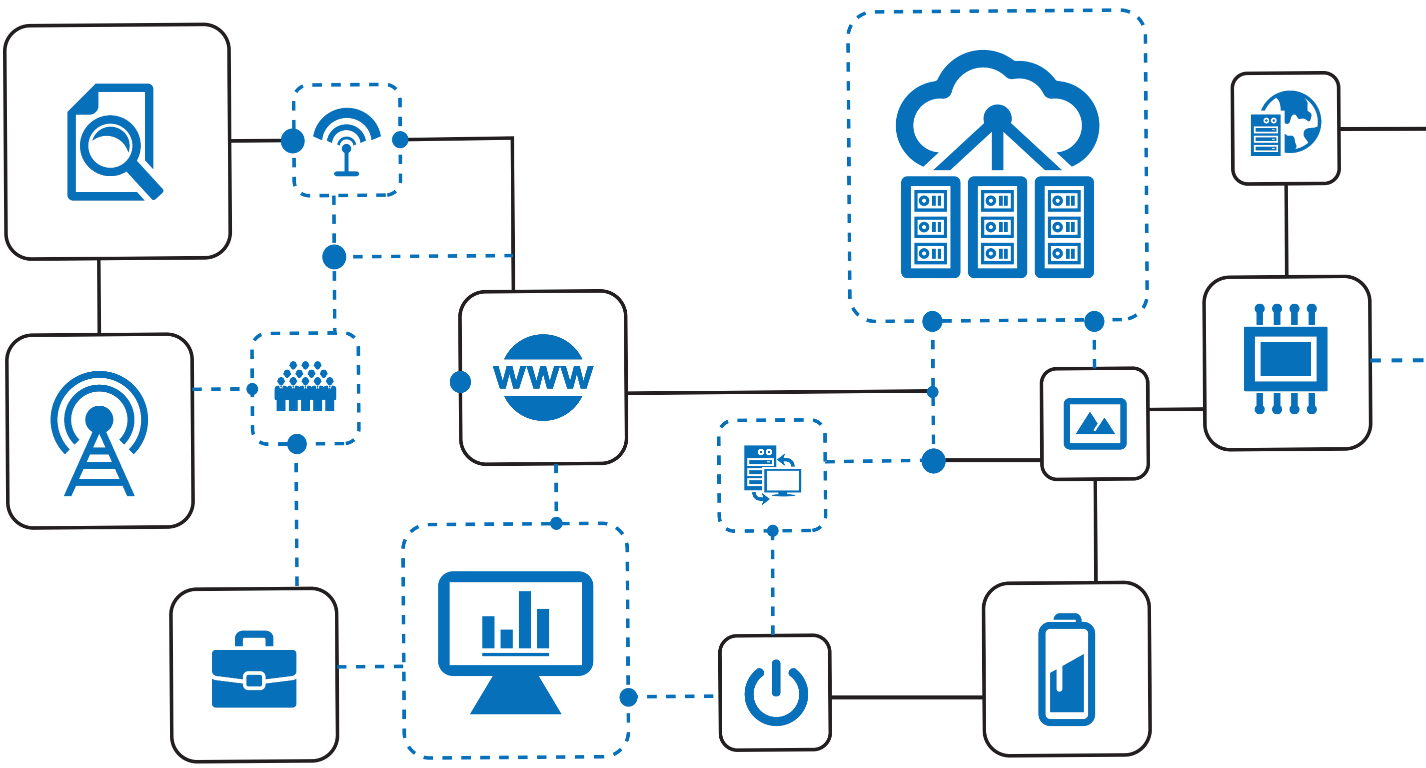

www.dp.com.my

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Fax : 03-7956 2324