

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

**SUMMARY OF KEY FINANCIAL INFORMATION  
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2012**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		[30/09/2012] RM'000	[30/09/2011] RM'000	[30/09/2012] RM'000	[30/09/2011] RM'000
1	Revenue	10,658	17,962	21,717	37,768
2	(Loss)/profit before tax	(1,736)	(984)	(3,328)	(980)
3	(Loss)/profit for the period	(1,748)	(1,014)	(3,354)	(1,010)
4	(Loss)/profit attributable to ordinary equity holders of the Parent	(1,861)	(581)	(3,369)	(693)
5	Basic (loss)/earnings per share (sen)	(0.49)	(0.15)	(0.88)	(0.18)
6	Proposed/Declared Dividend per share (sen)	-	-	-	-
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share owners of the parent (RM)		0.11		0.12

**ADDITIONAL INFORMATION**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		[30/09/2012] RM'000	[30/09/2011] RM'000	[30/09/2012] RM'000	[30/09/2011] RM'000
1	Gross interest income	142	210	323	413
2	Gross interest expense	34	38	63	64

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2012**  
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	[30/09/2012] RM'000	[30/09/2011] RM'000	[30/09/2012] RM'000	[30/09/2011] RM'000
Revenue	10,658	17,962	21,717	37,768
Operating Expenses	(12,622)	(19,180)	(25,585)	(39,271)
Other Operating Income	262	272	603	587
(Loss)/profit from operations	(1,702)	(946)	(3,265)	(916)
Finance costs	(34)	(38)	(63)	(64)
(Loss)/profit before tax	(1,736)	(984)	(3,328)	(980)
Taxation	(12)	(30)	(26)	(30)
(Loss)/profit after tax	(1,748)	(1,014)	(3,354)	(1,010)
Other Comprehensive Loss: Foreign currency translation differences	(12)	-	(7)	(3)
Other comprehensive income for the period, net of tax	(12)	-	(7)	(3)
<b>Total Comprehensive (Loss)/Profit for the period</b>	<b>(1,760)</b>	<b>(1,014)</b>	<b>(3,361)</b>	<b>(1,013)</b>
Attributed to :				
Owners of the parent	(1,861)	(581)	(3,369)	(693)
Non-controlling interest	113	(433)	15	(317)
	<b>(1,748)</b>	<b>(1,014)</b>	<b>(3,354)</b>	<b>(1,010)</b>
Total comprehensive (loss)/profit attributable to:				
Owners of the parent	(1,873)	(581)	(3,376)	(696)
Non-controlling interest	113	(433)	15	(317)
	<b>(1,760)</b>	<b>(1,014)</b>	<b>(3,361)</b>	<b>(1,013)</b>
(Loss)/earnings per share :				
- basic (sen)	(0.49)	(0.15)	(0.88)	(0.18)
- diluted (sen)	N/A	N/A	N/A	N/A

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
Net assets per share (RM)	0.11	0.12

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2012**

	<b>As at 30.9.2012 Unaudited RM'000</b>	<b>As at 30.3.2012 Audited RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,174	2,677
Intangible assets	183	206
Other Investments	91	91
	<u>2,448</u>	<u>2,974</u>
<b>Current Assets</b>		
Inventories	1,259	690
Trade receivables	25,902	24,798
Other receivables	3,438	4,126
Tax recoverable	77	83
Deposits, cash and bank balances	25,151	27,747
	<u>55,827</u>	<u>57,444</u>
<b>Total assets</b>	<u>58,275</u>	<u>60,418</u>
<b>Equity attributable to owners of the Parent</b>		
Share capital	95,772	95,772
Share premium	5,488	5,488
Merger deficit	(13,509)	(13,509)
Foreign exchange reserve	1	8
Accumulated losses	(46,483)	(43,108)
	<u>41,269</u>	<u>44,651</u>
<b>Non-controlling interest</b>	<u>617</u>	<u>602</u>
<b>Total equity</b>	<u>41,886</u>	<u>45,253</u>
<b>Non-current liabilities</b>		
Long term borrowings	73	94
	<u>73</u>	<u>94</u>
<b>Current Liabilities</b>		
Trade payables	8,593	7,773
Other payables	4,570	4,275
Short term borrowings	3,065	2,996
Provision for taxation	88	27
<b>Total current liabilities</b>	<u>16,316</u>	<u>15,071</u>
<b>Total liabilities</b>	<u>16,389</u>	<u>15,165</u>
<b>Total equity and liabilities</b>	<u>58,275</u>	<u>60,418</u>
Net assets per share (RM)	<u>0.11</u>	<u>0.12</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2012

-----Attributable to the equity holders of the Company-----  
 <-----Non-distributable----->

	Share Capital RM'000	Share premium RM'000	Merger deficit RM'000	Foreign exchange reserve RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
<b>At 1 April 2012</b>	<b>95,772</b>	<b>5,488</b>	<b>(13,509)</b>	<b>8</b>	<b>(43,108)</b>	<b>44,651</b>	<b>602</b>	<b>45,253</b>
Total comprehensive loss for the period	-	-	-	(7)	(3,375)	(3,382)	15	(3,367)
<b>At 30 September 2012</b>	<b>95,772</b>	<b>5,488</b>	<b>(13,509)</b>	<b>1</b>	<b>(46,483)</b>	<b>41,269</b>	<b>617</b>	<b>41,886</b>
<b>At 1 April 2011</b>	<b>95,772</b>	<b>5,488</b>	<b>(13,509)</b>	<b>11</b>	<b>(36,529)</b>	<b>51,233</b>	<b>1,796</b>	<b>53,029</b>
Total comprehensive income for the year	-	-	-	(3)	(6,684)	(6,687)	(1,089)	(7,776)
Disposal of part equity in a subsidiary to a non-controlling interest	-	-	-	-	105	105	(105)	-
<b>At 31 March 2012</b>	<b>95,772</b>	<b>5,488</b>	<b>(13,509)</b>	<b>8</b>	<b>(43,108)</b>	<b>44,651</b>	<b>602</b>	<b>45,253</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2012**

	Six Months Ended	
	30.9.2012 RM'000	30.09.2011 RM'000
<b>Cash Flow from Operating Activities</b>		
<b>(Loss)/profit before tax</b>	<b>(3,328)</b>	<b>(980)</b>
<b>Adjustment for :-</b>		
Non-cash items	721	788
Non-operating items	(260)	(377)
<b>Operating (loss)/profit before working capital changes</b>	<b>(2,867)</b>	<b>(569)</b>
(Increase)/Decrease in inventories	(602)	(123)
(Increase)/decrease in receivables	(1,418)	12,007
Increase/(decrease) in payables	2,102	(17,162)
<b>Cash used in operations</b>	<b>(2,785)</b>	<b>(5,847)</b>
Tax (paid)/ refunded	42	(19)
Interest received	323	413
Interest paid	(63)	(64)
<b>Net cash used in operating activities</b>	<b>(2,483)</b>	<b>(5,517)</b>
<b>Cash flow from Investing Activities</b>		
Purchase of property, plant and equipment	(162)	(136)
Proceeds from disposal of plant and equipment	-	48
<b>Net cash used in investing activities</b>	<b>(162)</b>	<b>(88)</b>
<b>Cash flow from Financing Activities</b>		
Drawdown of borrowings	3,772	6,890
Repayment of borrowings	(2,740)	-
Payment of hire purchase liabilities	(20)	(19)
<b>Net cash from financing activities</b>	<b>1,012</b>	<b>6,871</b>
<b>Net increase in cash and cash equivalents</b>	<b>(1,633)</b>	<b>1,266</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>26,784</b>	<b>30,642</b>
<b>Cash and cash equivalents at end of the period</b>	<b>25,151</b>	<b>31,908</b>
<b>Cash and cash equivalents at end of the financial period comprise the following:</b>		
	<b>As at 30.9.2012</b>	<b>As at 30.09.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits with licensed commercial banks	19,552	27,195
Cash and bank balances	5,599	4,713
<b>Cash and cash equivalents</b>	<b>25,151</b>	<b>31,908</b>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

## **1. Basis of preparation**

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

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 March 2011. The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 March 2011 except for the adoption of Malaysian Financial Reporting Standards (“MFRS”) framework issued by the Malaysian Accounting Standards Board (“MASB”). This MFRS framework was introduced by the MASB in order to fully converge with Malaysia’s existing Financial Reporting Standards with the International Financial Reporting Standards framework issued by the International Accounting Standards Board.

The adoption of the MFRS framework did not result in any significant effect on the financial position and financial performance of the Group and of the Company, nor any significant changes in the presentation and disclosure of amounts in the financial statements other than those as described hereunder:

a) **Business combination**

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- (i) the classification of former business combinations under FRS is maintained;
- (ii) there is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (iii) the carrying amount of goodwill recognized under FRS is not adjusted.

The Group has not adopted the following standards and interpretations that have been issued but are not yet effective:

(a) **Effective for financial periods beginning on or after 1 July 2012**

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income.

(b) **Effective for financial periods beginning on or after 31 July 2012**

MFRS 3, Business Combinations

MFRS 127, Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2004)

(c) **Effective for financial periods beginning on or after 1 January 2013**

MFRS 10: Consolidated Financial Statements

MFRS 11: Joint Arrangements

MFRS 12: Disclosure of Interests in Other Entities

MFRS 13: Fair Value Measurement

MFRS 119: Employee Benefits

MFRS 127: Separate Financial Statements

MFRS 128: Investments in Associates and Joint Ventures

Amendments to FRS 1 Government Loans

Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 101, MFRS 116, MFRS 132, MFRS 134 (Annual Improvements 2009-2011 Cycle)

Consolidated Financial Statements, Joint Arrangements and Disclosure of interests in Other Entities : Transition Guidance (Amendments to MFRS 10, MFRS 11 and MFRS 12)

IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine

**(d) Effective for financial periods beginning on or after 1 January 2014**

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities.

**(e) Effective for financial periods beginning on or after 1 January 2015**

MFRS 9: Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010).

Mandatory Effective Date of MFRS 9 and Transition Disclosures \*\*

\*\* The mandatory effective date of MFRS 9 has been changed from 1 January 2013 to 1 January 2015 by the MASB

**2. Audit qualification of the preceding annual financial statement**

The Auditors' Report of the most recent Group's Annual Financial Statements for the financial year ended 31 March 2012 was not subject to any qualification.

**3. Seasonality or cyclicity of the operations**

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

**4. Material unusual items**

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

**5. Changes in estimates**

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

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

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

**7. Dividend paid**

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

**8. Segmental information**

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

	<b>IT Related Products and Services</b>	<b>Payment Solutions &amp; Services</b>	<b>Consolidation Adjustments</b>	<b>Group</b>
	RM'000	RM'000	RM'000	RM'000
Sales	20,797	1,046	(126)	21,717
Segment Results	(3,193)	(195)	2,946	(442)
Interest Income				323
Unallocated Expenses				(3,146)
Loss from Operations				(3,265)
Finance Cost				(63)
Loss before taxation				(3,328)
Taxation				(26)
Loss after taxation				(3,354)

**9. Valuation of property, plant and equipment**

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

**10. Significant events**

There were no material events which occurred during the current quarter under review.

**11. Effects of changes in the composition of the Group**

There were no material changes in the composition of the Group since the previous financial year ended 31 March 2012.

**12. Changes in contingent liabilities (unsecured)**

Unsecured Contingent Liabilities :-	<b>Group</b>		
	<b>30.09.12 RM'000</b>	<b>31.03.12 RM'000</b>	<b>Increase/ (decrease) RM'000</b>
Corporate guarantee given to financial institutions for: - Performance guarantees given to third parties	5,621	7,540	(1,919)
<b>Total</b>	<b>5,621</b>	<b>7,540</b>	<b>(1,919)</b>



### **13. Review of performance**

#### **a. Comparison results of current quarter and previous year corresponding quarter**

The Group revenue for the current quarter decreased to RM10.66 million with a loss before tax of RM1.74 million. The revenue was 41% lower than the previous year corresponding quarter of RM17.96 million mainly due to reduced contribution from a significant project and lower sales secured for the quarter under review in view of the intense competition in the market place. The higher loss before tax suffered of RM1.74 million when compared with the previous year corresponding quarter was primarily as a result of reduced revenue and lower gross margin.

The performance of the business segments for the current quarter as compared to the previous year corresponding quarter is as follows:-

##### IT Related Products & Services

Revenue decreased to RM10.20 million in the current quarter from RM17.33 million in the previous year corresponding quarter mainly due to reduced contribution from a significant project and lower sales secured for the quarter under review in view of intense competition in the market place. In addition, a softer market for solution integration engagements has resulted in lesser number of projects secured in the current quarter. The lessened revenue has resulted in a higher loss of RM1.55 million for the current quarter compared to a loss of RM1.08 million in the previous year corresponding quarter.

##### Payment Solutions and Services

Revenue fell to RM0.46 million in the current quarter from RM0.74 million in the previous year corresponding quarter. The lesser revenue was mainly due to the lower terminal rental income and reduced discount fee from merchants. The lower revenue resulted in a loss before tax of RM174,000 compared to a profit before tax of RM15,000 in the previous year corresponding quarter.

#### **b. Comparison results of current year-to-date and previous year-to-date**

For the six months current year-to-date, the Group revenue decreased by 42% to RM21.72 million as compared to RM37.77 million in the previous year corresponding period. This is due to reduced contribution from a significant project and lower sales secured for the quarter under review in view of intense competition in the market place. The higher loss before tax suffered of RM3.35 million when compared with the previous year corresponding period was primarily as a result of reduced revenue and lower gross margin.

The performance of the business segments for the current year-to-date as compared to that of the previous year to-date is as follows:

##### IT Related Products & Services

Revenue decreased to RM20.79 million in the current six months period from RM36.61 million in the previous year corresponding period mainly due to reduced contribution from a significant project and lower sales secured for the period under review in view of intense competition in the market place. In addition, a softer market for solutions integration engagements has resulted in lesser number of projects secured in the current period. The lessened revenue has resulted in a higher loss of RM3.19 million for the current six months period compared to a loss of RM1.08 million in the previous year corresponding period.

##### Payment Solutions and Services

Revenue fell to RM1.05 million in the current six months period from RM1.35 million in the previous year corresponding period. The lesser revenue was mainly due to the lower terminal

rental income and reduced discount fee from merchants. The reduced revenue resulted in a loss before tax of RM195,000 when compared to a loss before tax of RM83,000 in the previous year corresponding period.

#### 14. Comparison with immediate preceding quarter

	<u>Current Quarter</u> RM'000s	<u>Preceding Quarter</u> RM'000s
Revenue	10,658	11,059
Loss before Taxation	(1,736)	(1,592)

The Group's current quarter revenue has decreased by 4% to RM10.66 million from RM11.06 million in the immediate preceding quarter. The lower revenue was primarily due to lower sales secured for the quarter under review in view of intense competition in the market place. The Loss before taxation of RM1.74 million in the current quarter was higher when compared with the immediate preceding quarter mainly due to lessened revenue and lower margin.

#### 15. Prospects

The Group continues to operate in a very competitive environment with little improvement in growth for the ICT industry. The demand for the Group's products and services is expected to remain soft especially in the public sector, for the financial year ending 31st March 2013.

We expect the Group results for the remaining period of the year to decline due to insufficient revenue. The management is also undertaking various cost reduction measures and continuously pursuing more higher profit margin projects. The Group has sufficient financial resources to meet all on-going commitments.

#### 16. Variance for profit forecast / Shortfall in profit guarantee

Not applicable.

#### 17. Taxation

	<b>Current Year Quarter ended 30.09.12 RM'000</b>
Income tax	
- Current period	26
- Undeprovision in prior year	-
<b>Tax expense</b>	<b>26</b>

#### 18. Status of corporate exercise

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

**19. Group borrowings**

The Group's borrowings as at 30 September 2012 are as follows:

		As at 30.09.12 RM'000	As at 31.03.12 RM'000
<b>Short Term Borrowings:</b>			
<b>Unsecured</b>			
- Hire purchase and finance lease liabilities		41	41
<b>Secured</b>			
- Banker acceptance		3,024	1,992
- Bank overdraft		-	963
<b>Total Short Term Borrowings</b>	<b>A</b>	<b>3,065</b>	<b>2,996</b>
<b>Long Term Borrowings:</b>			
<b>Unsecured</b>			
- Hire purchase		73	94
<b>Total Long Term Borrowings</b>	<b>B</b>	<b>73</b>	<b>94</b>
<b>Total Borrowings</b>	<b>(A + B)</b>	<b>3,138</b>	<b>3,090</b>

All borrowings are denominated in Ringgit Malaysia.

**20. Material litigation**

There were no pending material litigation matters as at 30 September 2012.

**21. Dividend proposed or declared**

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

**22. Loss per share**

**(a) Basic**

	Current Year Quarter ended 30.09.12	Current Year- to-date ended 30.09.12
Loss attributable to owners of the parent (RM'000)	(1,861)	(3,369)
Weighted average number of shares in issue ('000)	383,087	383,087
<b>Basic loss per share (sen)</b>	<b>(0.49)</b>	<b>(0.88)</b>

**(b) Diluted**

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

**23. Capital commitment**

The Group has no material capital commitment as at 30 September 2012.

**24. Notes to the Consolidated Statement of Comprehensive Income**

Total comprehensive income for the period is arrived at after charging:

	Current Year Quarter Ended 30.09.12 RM'000	Current Year- to-date Ended 30.09.12 RM'000
Interest Expense	34	63
Depreciation of property, plant and equipment	320	638
Amortisation of intangible assets	25	49
Allowance for obsolete inventories	8	33
Net foreign exchange loss – realised	73	28
and after crediting:		
Interest Income	(142)	(323)
Incentive from suppliers	(1)	(28)

Other than as per disclosed above, there were no (i) gain or loss on disposal of quoted or unquoted investment, (ii) gain or loss on derivatives, (iii) exceptional items and (iv) allowance for doubtful debts for the current quarter and financial period ended 30 September 2012.

**25. Realised and unrealised profits/(losses)**

	<b>30.09.12</b> <b>RM'000</b>	<b>31.03.12</b> <b>RM'000</b>
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(148,330)	(145,027)
- Unrealised	(1,397)	(1,305)
	(149,727)	(146,332)
Less : Consolidation adjustments	103,244	103,224
<b>Total group accumulated losses as per consolidated accounts</b>	<b>(46,483)</b>	<b>(43,108)</b>

By Order of the Board  
**Dataprep Holdings Bhd**

**Wong Choong Ming**  
**Company Secretary**  
 26 November 2012