

**1. Basis of preparation**

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

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 March 2009. The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 March 2009.

The following new FRS and Interpretations were issued in previous financial year but not yet effective and have not been applied by the Group and the Company:

	Effective for the financial periods beginning on or after
- FRS 4: Insurance Contracts	1 January 2010
- FRS 7: Financial Instruments: Disclosures	1 January 2010
- FRS 8: Operating Segments	1 July 2009
- FRS 139: Financial Instruments – Recognition and Measurement	1 January 2010
- IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
- IC Interpretation 10: Interim Financial Reporting and Impairment	1 January 2010

The above new FRS and Interpretations are expected to have no significant impact on the financial statements of the Group upon their initial application except for the changes in disclosures arising from the adoption of FRS 7 and FRS 8.

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

The Auditors’ Report on the financial statements for the financial year ended 31 March 2009 was not qualified.

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

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

**4. Material unusual items**

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

**5. Changes in estimates**

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

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

For the current quarter, there were no cancellation, repurchase, resale and repayment of debt and equity securities except for the issuance of 26,925,173 new ordinary shares of RM0.25 each arising from the conversion of the Warrants.

**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 reports are as follows: -

<b>30 September 2009</b>	<b>Information and Communications Technology Solutions and Services <u>RM'000</u></b>	<b>Business Process Outsourcing <u>RM'000</u></b>	<b>Management Services <u>RM'000</u></b>	<b>Elimination <u>RM'000</u></b>	<b>Group <u>RM'000</u></b>
<b>SALES</b>					
- External sales	19,597	1,184	-	-	<b>20,781</b>
- Intersegment sales	132	-	2,740	(2,872)	-
<b>Total sales</b>	<b>19,729</b>	<b>1,184</b>	<b>2,740</b>	<b>(2,872)</b>	<b>20,781</b>
<b>RESULTS</b>					
Segment results	(592)	286	(4,061)	4	<b>(4,363)</b>
Interest income					<b>299</b>
Unallocated expenses					<b>(11)</b>
<b>Loss from operations</b>					<b>(4,075)</b>
Interest expenses					<b>(30)</b>
<b>Loss before tax</b>					<b>(4,105)</b>
Taxation					<b>(3)</b>
<b>Loss after tax</b>					<b>(4,108)</b>

<b>30 September 2008</b>	<b>Information and Communications Technology Solutions and Services <u>RM'000</u></b>	<b>Business Process Outsourcing <u>RM'000</u></b>	<b>Management Services <u>RM'000</u></b>	<b>Elimination <u>RM'000</u></b>	<b>Group <u>RM'000</u></b>
<b>SALES</b>					
- External sales	23,628	1,224	-	-	<b>24,852</b>
- Intersegment sales *	123	-	2,928	(3,051)	-
<b>Total sales</b>	<b>23,751</b>	<b>1,224</b>	<b>2,928</b>	<b>(3,051)</b>	<b>24,852</b>
<b>RESULTS</b>					
Segment results	(1,053)	(40)	(196)	17	<b>(1,272)</b>
Interest income					<b>521</b>
Unallocated expenses					<b>(21)</b>
<b>Loss from operations</b>					<b>(772)</b>
Interest expenses					<b>(193)</b>
<b>Loss before tax</b>					<b>(965)</b>
Taxation					<b>(31)</b>
<b>Loss after tax</b>					<b>(996)</b>

\* Comparative amounts had been reclassified to conform with current financial period's presentation.

**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 since the previous financial year ended 31 March 2009 that have not been reflected in the financial statements for the current quarter.

**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 2009.

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

Unsecured Contingent Liabilities :-	Group		
	30.09.09 RM'000	31.03.09 RM'000	Increase/ (decrease) RM'000
Corporate guarantee given to financial institutions for: - Performance guarantees given to third parties	5,901	3,742	2,159
<b>Total</b>	<b>5,901</b>	<b>3,742</b>	<b>2,159</b>

**13. Review of performance**

For the second quarter ended 30 September 2009, the Group recorded a revenue of RM10,399,000 and a pre-tax loss of RM2,014,000 as compared to a revenue of RM9,453,000 and a pre-tax loss of RM968,000 in the corresponding quarter of the previous financial year. Despite the increase in revenue, the pre-tax loss was higher in the current quarter mainly due to non-recoverability of a debt and business development expenses written off.

**14. Comparison with immediate preceding quarter**

For the current quarter under review, turnover was slightly higher as compared to the immediate preceding quarter whereas a pre-tax loss of RM2,014,000 was recorded as compared to a pre-tax loss of RM2,091,000 in the immediate preceding quarter. The slightly lower pre-tax loss in the current quarter was mainly due to an overall improvement on gross profit margin.

**15. Prospects**

After declining 6.2% in the first quarter and 3.9% in the second quarter, the Malaysian Gross Domestic Product (“GDP”) continued to decline in the third quarter of 2009 at a slower pace of 1.2% signaling a recovery in the economy. In tandem with the economic recovery, the ICT industry is likely to see further improvement. However, with the increased competition and erosion of margins, the management have implemented a number of costs cutting measures, expanded solutions offering and improved coverage of key customers to position the Group more competitively for future growth.

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

Not applicable.

**17. Taxation**

	<b>Current Year Quarter ended 30.09.09 RM'000</b>	<b>Current Year-to- date ended 30.09.09 RM'000</b>
Income tax for current period	-	-
Deferred tax		
- Relating to origination and reversal of temporary differences	2	3
<b>Tax expense</b>	<b>2</b>	<b>3</b>

**18. Sale of unquoted investments or properties**

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

**19. Purchase and disposal of quoted securities**

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

**20. Status of corporate exercise**

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

**21. Group borrowings**

The Group's borrowings as at 30 September 2009 are as follows:

		As at 30.09.09 RM'000	As at 31.03.09 RM'000
<b>Short Term Borrowings:</b>			
<b>Unsecured</b>			
- Hire purchase and finance lease liabilities		55	156
<b>Total Short Term Borrowings</b>	<b>(A)</b>	<b>55</b>	<b>156</b>
<b>Long Term Borrowings:</b>			
<b>Unsecured</b>			
- Hire purchase		192	211
<b>Total Long Term Borrowings</b>	<b>(B)</b>	<b>192</b>	<b>211</b>
<b>Total Borrowings</b>	<b>(A+B)</b>	<b>247</b>	<b>367</b>

All borrowings are denominated in Ringgit Malaysia.

**22. Off balance sheet financial instruments**

There was no financial instrument with off balance sheet risk as at 30 September 2009.

**23. Material litigation**

There were no pending material litigation matters as at 30 September 2009.

**24. Dividend proposed or declared**

The directors do not recommend any dividend for the financial period under review (preceding financial year: nil).

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

	Current Year Quarter ended 30.09.09	Current Year- to-date ended 30.09.09
Loss attributable to ordinary equity holders of the company (RM'000)	(1,907)	(3,875)
Weighted average number of shares in issue ('000)	363,062	359,625
<b>Basic loss per share (sen)</b>	<b>(0.53)</b>	<b>(1.08)</b>

**25. Loss per share (Cont.d)****(b) Diluted**

Diluted loss per share of the Group is calculated by dividing the loss for the financial period attributable to equity holders of the Company by the adjusted weighted average number of ordinary shares in issue during the financial period. The adjusted weighted average number of ordinary shares in issue is arrived at assuming full conversion of the Warrants which represents the dilutive potential of the ordinary shares.

There was no dilution impact on loss per share for the current period as the unexercised Warrants have expired and lapsed on 20 September 2009.

**26. Capital commitment**

The Group has no material capital commitment as at 30 September 2009.

**27. Deferred tax assets**

	<b>30.09.09</b> <b>RM'000</b>	<b>31.03.09</b> <b>RM'000</b>
At 1 April	2,815	2,955
Recognised in income statement	(2)	(140)
At end of the period	<b>2,813</b>	<b>2,815</b>
Presented after appropriate offsetting as follows:		
- Deferred tax assets	3,320	3,311
- Deferred tax liabilities	(507)	(496)
	<b>2,813</b>	<b>2,815</b>

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

**Pauline Ng Peck Kun**  
**Tan Hock Chye**  
**Company Secretaries**  
*30 November 2009*