

1. Basis of preparation

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

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 March 2010. The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 March 2010.

The following FRSs and Interpretations were issued but not yet effective and have not been applied by the Group:

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

FRS 8 : Operating Segments

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

FRS 4: Insurance Contracts

FRS 7: Financial Instruments: Disclosures

FRS 101: Presentation of Financial Statements (revised)

FRS 123: Borrowing Costs

FRS 139: Financial Instruments: Recognition and Measurement

Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127:

Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

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

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

Amendment to FRS 8: Operating Segments

Amendment to FRS 107: Statement of Cash Flows

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

Amendment to FRS 110: Events after the Reporting Period

Amendment to FRS 116: Property, Plant and Equipment

Amendment to FRS 117: Leases

Amendment to FRS 118: Revenue

Amendment to FRS 119: Employee Benefits

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

Amendment to FRS 123: Borrowing Costs

Amendment to FRS 127: Consolidated and Separate Financial Statements

Amendment to FRS 128: Investments in Associates

Amendment to FRS 129: Financial Reporting in Hyperinflationary Economies

Amendment to FRS 131: Interests in Joint Ventures

Amendment to FRS 132: Financial Instruments: Presentation

Amendment to FRS 134: Interim Financial Reporting

Amendment to FRS 136: Impairment of Assets

1. Basis of preparation (cont'd)

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

Amendment to FRS 138: Intangible Assets

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

Amendment to FRS 140: Investment Property

Amendments to FRSs 'Improvements to FRSs (2009)'

IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 10: Interim Financial Reporting and Impairment

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

IC Interpretation 13: Customer Loyalty Programmes

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

TR i - 3: Presentation of Financial Statements of Islamic Financial Institutions

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

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

FRS 3: Business Combinations (revised)

FRS 127: Consolidated and Separate Financial Statements (amended)

Amendments to FRS 2: Share-based Payment

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

Amendments to FRS 138: Intangible Assets

IC Interpretation 12: Service Concession Arrangements

IC Interpretation 15: Agreements for the Construction of Real Estate

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

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

Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

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

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

Improving Disclosures about Financial Instruments (Amendments to FRS 7)

Amendments to FRS 132 Financial Instruments: Presentation

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.

The Group are exempted from disclosing the possible impact, if any, to the financial statements upon initial application of FRS 139.

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.

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: -

31 March 2010	Information and Communications Technology Solutions and Services <u>RM'000</u>	Business Process Outsourcing <u>RM'000</u>	Management Services <u>RM'000</u>	Elimination <u>RM'000</u>	Group <u>RM'000</u>
SALES					
- External sales	41,996	2,599	-	-	44,595
- Intersegment sales	266	-	5,218	(5,484)	-
Total sales	42,262	2,599	5,218	(5,484)	44,595
RESULTS					
Segment results	(4,655)	842	(6,787)	4,347	(6,253)
Interest income					664
Unallocated expenses					(33)
Loss from operations					(5,622)
Interest expenses					(61)
Loss before tax					(5,683)
Taxation					(23)
Loss after tax					(5,706)

31 March 2009	Information and Communications Technology Solutions and Services <u>RM'000</u>	Business Process Outsourcing <u>RM'000</u>	Management Services <u>RM'000</u>	Elimination <u>RM'000</u>	Group <u>RM'000</u>
SALES					
- External sales	51,564	2,600	-	-	54,164
- Intersegment sales *	275	1	5,116	(5,392)	-
Total sales	51,839	2,601	5,116	(5,392)	54,164
RESULTS					
Segment results	(2,678)	(234)	(3,158)	(19)	(6,089)
Interest income					919
Unallocated expenses					(44)
Loss from operations					(5,214)
Interest expenses					(242)
Loss before tax					(5,456)
Taxation					(357)
Loss after tax					(5,813)

* 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		
	31.03.10 RM'000	31.03.09 RM'000	Increase/ (decrease) RM'000
Corporate guarantee given to financial institutions for: - Performance guarantees given to third parties	4,027	3,742	285
Total	4,027	3,742	285

13. Review of performance

For the fourth and final quarter ended 31 March 2010, the Group recorded a revenue of RM12.47 million and a pre-tax profit of RM0.17 million as compared to a revenue of RM10.55 million and a pre-tax loss of RM5.03 million in the corresponding quarter of the previous financial year. Pre-tax profit in the current quarter was mainly due to higher revenue coupled with a lower operating expenses resulting from the Group's embarkation on cost control measures.

14. Comparison with immediate preceding quarter

For the current quarter under review, the revenue of RM12.47 million was higher as compared to the immediate preceding quarter of RM11.35 million. On the back of better gross margins and reduced operating expenditures including lower provisions for trade doubtful debts, the Group achieved a pre-tax profit of RM0.17 million, as compared to a pre-tax loss of RM1.75 million in the preceding quarter.

15. Prospects

Amidst a better than expected economic growth, the Group registered its second consecutive quarter of revenue growth. Fourth quarter revenue grew 10% in comparison to the previous quarter. The improved revenue coupled with the Group's cost cutting measures contributed to its financial turnaround in the fourth quarter. Reflecting this positive trend and the benefit from a rebound in ICT spending, the Group results will turn positive in this financial year. While the outlook remains positive, the Group is also exercising caution with the possible spillover effect from the Eurozone crisis. In this regard, management continues to focus on achieving cost and operational efficiency while driving revenue growth.

16. Variance for profit forecast / Shortfall in profit guarantee

Not applicable.

17. Taxation

	Current Year Quarter ended 31.03.10 RM'000	Current Year-to- date ended 31.03.10 RM'000
Income tax for current period		
- Current period	38	38
- Overprovision in prior year	-	(20)
Deferred tax		
- Relating to origination and reversal of temporary differences	-	5
Tax expense	38	23

18. Sale of unquoted investments or properties

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

19. Purchase and disposal of quoted securities

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

20. Status of corporate exercise

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

21. Group borrowings

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

		As at 31.03.10 RM'000	As at 31.03.09 RM'000
Short Term Borrowings:			
Unsecured			
- Hire purchase and finance lease liabilities		37	156
Total Short Term Borrowings	(A)	37	156
Long Term Borrowings:			
Unsecured			
- Hire purchase		173	211
Total Long Term Borrowings	(B)	173	211
Total Borrowings	(A+B)	210	367

All borrowings are denominated in Ringgit Malaysia.

22. Off balance sheet financial instruments

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

23. Material litigation

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

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 31.03.10	Current Year- to-date ended 31.03.10
Loss attributable to ordinary equity holders of the company (RM'000)	113	(5,686)
Weighted average number of shares in issue ('000)	383,087	371,324
Basic loss per share (sen)	0.03	(1.53)

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 effect on loss per share for the current period as the unexercised Warrants have expired and lapsed on 18 September 2009.

26. Capital commitment

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

27. Deferred tax assets

	31.03.10	31.03.09
	RM'000	RM'000
At 1 April	2,815	2,955
Recognised in income statement	(5)	(140)
At end of the period	2,810	2,815
Presented after appropriate offsetting as follows:		
- Deferred tax assets	3,304	3,311
- Deferred tax liabilities	(494)	(496)
	2,810	2,815

By Order of the Board
Dataprep Holdings Bhd

Pauline Ng Peck Kun
Tan Hock Chye
Company Secretaries

24 May 2010