

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

**SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2012**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		[31/12/2012] RM'000	[31/12/2011] RM'000	[31/12/2012] RM'000	[31/12/2011] RM'000
1	Revenue	13,794	15,347	35,511	53,115
2	(Loss)/profit before tax	(761)	(2,297)	(4,089)	(3,277)
3	(Loss)/profit for the period	(766)	(2,313)	(4,120)	(3,323)
4	(Loss)/profit attributable to ordinary equity holders of the Parent	(1,030)	(2,249)	(4,399)	(2,942)
5	Basic (loss)/earnings per share (sen)	(0.27)	(0.59)	(1.15)	(0.77)
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
		[31/12/2012] RM'000	[31/12/2011] RM'000	[31/12/2012] RM'000	[31/12/2011] RM'000
1	Gross interest income	153	213	476	626
2	Gross interest expense	47	57	110	121

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 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
	[31/12/2012] RM'000	[31/12/2011] RM'000	[31/12/2012] RM'000	[31/12/2011] RM'000
Revenue	13,794	15,347	35,511	53,115
Operating Expenses	(14,693)	(17,859)	(40,278)	(57,130)
Other Operating Income	185	272	788	859
(Loss)/profit from operations	(714)	(2,240)	(3,979)	(3,156)
Finance costs	(47)	(57)	(110)	(121)
(Loss)/profit before tax	(761)	(2,297)	(4,089)	(3,277)
Taxation	(5)	(16)	(31)	(46)
(Loss)/profit after tax	(766)	(2,313)	(4,120)	(3,323)
Other Comprehensive Loss: Foreign currency translation differences	(12)	-	(1)	(3)
Other comprehensive income for the period, net of tax	(12)	-	(1)	(3)
Total Comprehensive (Loss)/Profit for the period	(778)	(2,313)	(4,121)	(3,326)
Attributed to :				
Owners of the parent	(1,030)	(2,249)	(4,399)	(2,942)
Non-controlling interest	264	(64)	279	(381)
	(766)	(2,313)	(4,120)	(3,323)
Total comprehensive (loss)/profit attributable to:				
Owners of the parent	(1,042)	(2,249)	(4,400)	(2,945)
Non-controlling interest	264	(64)	279	(381)
	(778)	(2,313)	(4,121)	(3,326)
(Loss)/earnings per share :				
- basic (sen)	(0.27)	(0.59)	(1.15)	(0.77)
- 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 31 DECEMBER 2012**

	As at 31.12.2012 Unaudited RM'000	As at 30.3.2012 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,821	2,677
Intangible assets	158	206
Other Investments	91	91
	<u>2,070</u>	<u>2,974</u>
Current Assets		
Inventories	1,092	690
Trade receivables	27,404	24,798
Other receivables	3,319	4,126
Tax recoverable	87	83
Deposits, cash and bank balances	24,473	27,747
	<u>56,375</u>	<u>57,444</u>
Total assets	<u>58,445</u>	<u>60,418</u>
Equity attributable to owners of the Parent		
Share capital	95,772	95,772
Share premium	5,488	5,488
Merger deficit	(13,509)	(13,509)
Foreign exchange reserve	7	8
Accumulated losses	(47,511)	(43,108)
	<u>40,247</u>	<u>44,651</u>
Non-controlling interest	881	602
Total equity	<u>41,128</u>	<u>45,253</u>
Non-current liabilities		
Long term borrowings	62	94
	<u>62</u>	<u>94</u>
Current Liabilities		
Trade payables	9,329	7,773
Other payables	5,095	4,275
Short term borrowings	2,755	2,996
Provision for taxation	76	27
Total current liabilities	<u>17,255</u>	<u>15,071</u>
Total liabilities	<u>17,317</u>	<u>15,165</u>
Total equity and liabilities	<u>58,445</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 THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 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
At 1 April 2012	95,772	5,488	(13,509)	8	(43,108)	44,651	602	45,253
Total comprehensive loss for the period	-	-	-	(1)	(4,403)	(4,404)	279	(4,125)
At 31 December 2012	95,772	5,488	(13,509)	7	(47,511)	40,247	881	41,128
At 1 April 2011	95,772	5,488	(13,509)	11	(36,529)	51,233	1,796	53,029
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)	-
At 31 March 2012	95,772	5,488	(13,509)	8	(43,108)	44,651	602	45,253

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 THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2012**

	Nine Months Ended	
	31.12.2012 RM'000	31.12.2011 RM'000
Cash Flow from Operating Activities		
(Loss)/profit before tax	(4,089)	(3,277)
Adjustment for :-		
Non-cash items	1,053	1,120
Non-operating items	(371)	(505)
Operating (loss)/profit before working capital changes	(3,407)	(2,662)
(Increase)/Decrease in inventories	(389)	126
(Increase)/decrease in receivables	(2,277)	16,297
Increase/(decrease) in payables	2,856	(16,543)
Cash used in operations	(3,217)	(2,782)
Tax (paid)/ refunded	14	(42)
Interest received	476	626
Interest paid	(110)	(121)
Net cash used in operating activities	(2,837)	(2,319)
Cash flow from Investing Activities		
Purchase of property, plant and equipment	(166)	(197)
Proceeds from disposal of plant and equipment	-	98
Net cash used in investing activities	(166)	(99)
Cash flow from Financing Activities		
Drawdown of borrowings	3,772	3,154
Repayment of borrowings	(4,521)	-
Payment of hire purchase liabilities	(30)	(29)
Net cash from financing activities	(779)	3,125
Net increase in cash and cash equivalents	(3,782)	707
Cash and cash equivalents at beginning of the year	26,784	30,642
Cash and cash equivalents at end of the period	23,002	31,349
Cash and cash equivalents at end of the financial period comprise the following:		
	As at 31.12.2012	As at 31.12.2011
	RM'000	RM'000
Deposits with licensed commercial banks	20,082	27,094
Cash and bank balances	4,391	4,255
Bank Overdraft	(1,471)	-
Cash and cash equivalents	23,002	31,349

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 October 2010).

Mandatory Effective Date of MFRS 9 and Transition Disclosures (Amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009), MFRS 9 (IFRS 9 issued by IASB in October 2010) and MFRS 7) **

** Effective immediately on the date of issue by MASB on 1 March 2012.

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 was 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 -

	IT Related Products and Services	Payment Solutions & Services	Consolidation Adjustments	Group
	RM'000	RM'000	RM'000	RM'000
Sales	34,314	1,401	(204)	35,511
Segment Results	(3,731)	(411)	4,126	(16)
Interest Income				506
Unallocated Expenses				(4,469)
Loss from Operations				(3,979)
Finance Cost				(110)
Loss before taxation				(4,089)
Taxation				(31)
Loss after taxation				(4,120)

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 :-	Group		
	31.12.12 RM'000	31.03.12 RM'000	Increase/ (decrease) RM'000
Corporate guarantee given to financial institutions for: - Performance guarantees given to third parties	6,236	7,540	(1,304)
Total	6,236	7,540	(1,304)

13. Review of performance

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

The Group's revenue for the current quarter decreased to RM13.79 million with a loss before tax of RM0.76 million. The revenue was 10% lower than the previous year corresponding quarter of RM15.35 million mainly due to lower sales secured for the quarter under review in view of intense competition in the market place. The lower loss before tax suffered of RM0.76 million when compared with the previous year corresponding quarter of RM2.29 was primarily as a result of higher gross margin due to better revenue mix attributable to maintenance service revenue which has a higher 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 RM13.52 million in the current quarter from RM14.81 million in the previous year corresponding quarter mainly due to a softer market for solution integration engagements which resulted in lesser number of projects secured in the current quarter. The higher revenue mix resulting from from maintenance service which has a better margin contributed to the lower gross loss of RM0.54 million for the current quarter compared to a gross loss of RM3.27 million in the previous year corresponding quarter.

Payment Solutions and Services

Revenue fell to RM0.355 million in the current quarter from RM0.614 million in the previous year corresponding quarter. The lesser revenue was mainly due to lower terminal rental income consequence of higher attrition rate and reduced discount fee from merchants. The lower revenue resulted in a higher loss before tax of RM216,000 compared to a loss before tax of RM29,000 in the previous year corresponding quarter.

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

For the nine months current year-to-date, the Group's revenue decreased by 33% to RM35.51 million as compared to RM53.11 million in the previous year corresponding period. This is 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. The higher loss before tax of RM4.09 million when compared with the previous year corresponding period loss before tax of RM3.28 million 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 RM34.31 million in the current nine months period from RM51.42 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 higher revenue mix resulted from maintenance service with better margin contributed to the lower gross loss of RM3.73 million for the current period compared to a gross loss of RM4.38 million in the previous year corresponding period.

Payment Solutions and Services

Revenue fell to RM1.40 million in the current nine months period from RM1.96 million in the previous year corresponding period. The lesser revenue was mainly due to lower terminal rental income as a consequence of higher attrition rate and reduced discount fee from merchants. The reduced revenue resulted in a higher loss before tax of RM411,000 when compared to a loss before tax of RM77,000 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	13,794	10,658
Loss before Taxation	(761)	(1,736)

The Group's current quarter revenue has increased by 29% to RM13.79 million from RM10.66 million in the immediate preceding quarter. The improved revenue was primarily due to higher sales secured for the current quarter under review which resulted in a lower loss before taxation of RM0.76 million compared to the immediate preceding quarter of RM1.74 million.

15. Prospects

Moving forward, economic conditions are expected to remain challenging given the local industry being cautious over the pending general election. ICT industry in which the Group operates will remain very competitive with the erosion of gross margin both in private and public sector demand of ICT. 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 trend of the Group results for the remaining period of the financial year ending 31st March 2013 to continue. The management is undertaking various cost reduction measures and earnestly 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

	Current Year Quarter ended 31.12.12 RM'000	Current Year-to- date ended 31.12.12 RM'000
Income tax		
- Current period	5	31
- Undeprovision in prior year	-	-
Tax expense	5	31

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 31 December 2012 are as follows:

		As at 31.12.12 RM'000	As at 31.03.12 RM'000
Short Term Borrowings:			
Unsecured			
- Hire purchase and finance lease liabilities		41	41
Secured			
- Banker acceptance		1,243	1,992
- Bank overdraft		1,471	963
Total Short Term Borrowings	A	2,755	2,996
Long Term Borrowings:			
Unsecured			
- Hire purchase		62	94
Total Long Term Borrowings	B	62	94
Total Borrowings	(A + B)	2,817	3,090

All borrowings are denominated in Ringgit Malaysia.

20. Material litigation

There were no pending material litigation matters as at 31 December 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 31.12.12	Current Year- to-date ended 31.12.12
Loss attributable to owners of the parent (RM'000)	(1,030)	(4,399)
Weighted average number of shares in issue ('000)	383,087	383,087
Basic loss per share (sen)	(0.27)	(1.15)

(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 31 December 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 31.12.12 RM'000	Current Year- to-date Ended 31.12.12 RM'000
Interest Expense	47	110
Depreciation of property, plant and equipment	291	929
Amortisation of intangible assets	25	74
Allowance for obsolete inventories	16	49
Foreign exchange loss – realised	15	43
and after crediting:		
Interest Income	(153)	(476)
Incentive from suppliers	(4)	(32)

Other than as 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 31 December 2012.

25. Realised and unrealised profits/(losses)

	31.12.12	31.03.12
	RM'000	RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(150,491)	(145,027)
- Unrealised	-	(1,305)
	(150,491)	(146,332)
Less : Consolidation adjustments	102,980	103,224
Total group accumulated losses as per consolidated accounts	(47,511)	(43,108)

By Order of the Board
Dataprep Holdings Bhd

Wong Choong Ming
Company Secretary
26 February 2013