

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

**SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2015**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER
		[31/12/2015] RM'000	[31/12/2014] RM'000	[31/12/2015] RM'000	[31/12/2014] RM'000
1	Revenue	11,953	25,606	51,028	56,676
2	Profit/(Loss) before tax	(1,896)	76	(1,573)	(1,320)
3	Profit/(Loss) for the period	(1,935)	55	(1,677)	(1,378)
4	Profit/(Loss) attributable to owners of the Company	(1,713)	(373)	(1,617)	(2,052)
5	Basic earnings/(loss) per share (sen)	(0.45)	(0.10)	(0.42)	(0.54)
6	Proposed/Declared dividend per share (sen)	-	-	-	-
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to owners of the Company (RM)		0.08		0.09

ADDITIONAL INFORMATION

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER
		[31/12/2015] RM'000	[31/12/2014] RM'000	[31/12/2015] RM'000	[31/12/2014] RM'000
1	Gross interest income	205	178	666	495
2	Gross interest expense	104	92	296	257

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2015**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER
	[31/12/2015] RM'000	[31/12/2014] RM'000	[31/12/2015] RM'000	[31/12/2014] RM'000
Revenue	11,953	25,606	51,028	56,676
Operating expenses	(13,925)	(25,614)	(52,905)	(58,542)
Other operating income	271	219	747	902
Operating profit/(loss)	(1,701)	211	(1,130)	(964)
Finance costs	(195)	(135)	(443)	(356)
Profit/(Loss) before tax	(1,896)	76	(1,573)	(1,320)
Taxation	(39)	(21)	(104)	(58)
Profit/(Loss) for the period	(1,935)	55	(1,677)	(1,378)
Other comprehensive income/(loss):				
Foreign currency translation differences	(10)	35	74	45
Other comprehensive income/(loss) for the period, net of tax	(10)	35	74	45
Total comprehensive income/(loss) for the period	(1,945)	90	(1,603)	(1,333)
Profit/(Loss) for the period attributed to :				
Owners of the Company	(1,713)	(373)	(1,617)	(2,052)
Non-controlling interest	(222)	428	(60)	674
	(1,935)	55	(1,677)	(1,378)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(1,723)	(338)	(1,543)	(2,007)
Non-controlling interest	(222)	428	(60)	674
	(1,945)	90	(1,603)	(1,333)
Earning/(Loss) per share :				
- basic (sen)	(0.45)	(0.10)	(0.42)	(0.54)
- 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)	0.08	0.09

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2015 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 2015**

	As at 31.12.2015 (Unaudited) RM'000	As at 31.3.2015 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,272	1,148
Intangible assets	210	226
Other Investments	91	91
	<u>1,573</u>	<u>1,465</u>
Current Assets		
Inventories	551	543
Trade receivables	18,227	27,605
Other receivables	1,250	1,086
Tax recoverable	32	2
Deposits, cash and bank balances	29,092	26,535
	<u>49,152</u>	<u>55,771</u>
TOTAL ASSETS	<u>50,725</u>	<u>57,236</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	95,772	95,772
Share premium	5,488	5,488
Merger deficit	(13,509)	(13,509)
Foreign exchange reserve	176	102
Accumulated losses	(59,024)	(57,407)
	<u>28,903</u>	<u>30,446</u>
Non-controlling interest	2,149	1,953
Total equity	<u>31,052</u>	<u>32,399</u>
Non-current liabilities		
Long term borrowings	185	204
	<u>185</u>	<u>204</u>
Current Liabilities		
Trade payables	8,790	12,056
Other payables	2,869	4,078
Provision for taxation	3	21
Short term borrowings	7,826	8,478
Total current liabilities	<u>19,488</u>	<u>24,633</u>
Total liabilities	<u>19,673</u>	<u>24,837</u>
TOTAL EQUITY AND LIABILITIES	<u>50,725</u>	<u>57,236</u>
Net assets per share (RM)	0.08	0.09

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2015 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 2015

←----- Attributable to the Owners 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 2015	95,772	5,488	(13,509)	102	(57,407)	30,446	1,953	32,399
Profit for the period	-	-	-	-	(1,617)	(1,617)	(60)	(1,677)
Proceed from disposal of 6% shareholding in a subsidiary	-	-	-	74	-	74	256	256
Other comprehensive income: Foreign currency translation gain for foreign operations	-	-	-	74	(1,617)	(1,543)	196	(1,347)
Total comprehensive income for the period	95,772	5,488	(13,509)	176	(59,024)	28,903	2,149	31,052
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)
Other comprehensive income: Foreign currency translation gain for 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

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2015**

	Nine Months Ended	
	31.12.2015 RM'000	31.03.2015 RM'000
Cash Flow from Operating Activities		
Profit / (Loss) before tax	(1,573)	(3,292)
Adjustment for :-		
Non-cash items	638	1,534
Non-operating items	(371)	(377)
Operating loss before working capital changes	<u>(1,306)</u>	<u>(2,135)</u>
(Increase) / Decrease in inventories	(79)	1
Decrease / (Increase) in receivables	8,885	(1,521)
(Decrease) / Increase in payables	(4,322)	2,124
Cash generated from / (used in) operations	<u>3,178</u>	<u>(1,531)</u>
Tax paid	(153)	(114)
Interest received	667	743
Interest paid	(296)	(366)
Net cash generated from/ (used in) operating activities	<u>3,396</u>	<u>(1,268)</u>
Cash flow from Investing Activities		
Purchase of property, plant and equipment	(514)	(200)
Purchase of intangible assets	(59)	(74)
Proceed from disposal of plant and equipment	76	9
Proceed from disposal of shares	256	-
Net cash used in investing activities	<u>(241)</u>	<u>(265)</u>
Cash flow from Financing Activities		
Drawdown of borrowings	140	5,905
Repayment of borrowings	(786)	(721)
Payment of hire purchase liabilities	(26)	(68)
Net cash (used in) / generated from financing activities	<u>(672)</u>	<u>5,116</u>
Net increase in cash and cash equivalents	2,483	3,583
Effect of exchange rate fluctuations	74	66
Cash and cash equivalents at beginning of the year	26,535	22,886
Cash and cash equivalents at end of the period	<u>29,092</u>	<u>26,535</u>

Cash and cash equivalents at end of the period comprise the following:

	As at 31.12.2015 RM'000	As at 31.03.2015 RM'000
Deposits with licensed commercial banks	20,219	18,404
Cash and bank balances	8,873	8,131
Cash and cash equivalents	<u>29,092</u>	<u>26,535</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2015 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 condensed consolidated interim financial statements also comply with International Accounting Standard 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”).

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 March 2015. The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 March 2015 except for the adoption of the following new and revised Malaysian Financial Reporting Standards (“MFRS”), Amendments to MFRSs and IC Interpretations:

New and Revised MFRSs and IC Interpretation

IC Interpretation 21 Levies

Amendments to MFRSs and IC Interpretation

Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities

Amendments to MFRS 132: Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities.

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions

Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRSs 2010–2012 Cycle”

Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRSs 2011–2013 Cycle

The adoption of the new and revised MFRSs and IC Interpretations and their amendments did not result in any significant effect on the financial position and financial performance of the Group and of the Company.

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 January 2016

Amendments to MFRS 101: Disclosure Initiative

Amendments to MFRS 10, MFRS 12 and MFRS 128(2011): Investment Entities- Applying the Consolidation Exception.

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 127: Equity Method in Separate Financial Statements

Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRSs 2012–2014 Cycle

(b) Effective for financial periods beginning on or after 1 January 2018

MFRS 9: Financial Instruments (IFRS 9 as issued by International Accounting Standards Board (“IASB”) in July 2014)

MFRS 15: Revenue from Contracts with Customers

2. Audit qualification of the preceding annual financial statement

The Auditors' Report of the Group's Annual Financial Statements for the financial year ended 31 March 2015 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 were no changes in accounting estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.

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

There was no cancellation, repurchase, resale and repayment of debt and equity securities in the current quarter.

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 as follows: -

BUSINESS SEGMENT	EXTERNAL SALES RM'000	INTERSEGMENT SALES RM'000	ELIMINATION RM'000	GROUP SALES RM'000
(a) IT Related Products and Services	49,125	136		49,261
(b) Payment Solutions & Services	1,767			1,767
SALES BY SEGMENT	50,892	136	-	51,028
(a) IT Related Products and Services	(2,734)		4,344	1,610
(b) Payment Solutions & Services	295			295
SEGMENT RESULTS	(2,439)	-	4,344	1,905
Interest income				666
Unallocated income / (expenses)				(3,848)
Profit / (Loss) from operations				(1,277)
Interest expenses				(296)
Profit before taxation				(1,573)
Taxation				(104)
Profit after taxation				(1,677)

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

Subsequent to the current period under review, the Company purchased 8,629,000 ordinary shares of RM 1.00 each representing 51 percent (51%) paid up capital in Solsis (M) Sdn Bhd at a total consideration of Ringgit Malaysia Four Hundred Seventy Four Thousand Six Hundred and Six (RM 474,606) only. Hereinafter Solsis (M) Sdn Bhd became a wholly-owned subsidiary of the Company.

12. Changes in contingent liabilities (unsecured)

Unsecured Contingent Liabilities :-	Group		
	31.12.2015 RM'000	31.03.2015 RM'000	Increase/ (decrease) RM'000
Corporate guarantee given to financial institutions for: - Performance guarantees given to customers for projects secured	4,836	4,949	(113)

13. Review of performance**a. Comparison of results for the current quarter with preceding year corresponding quarter**

The Group's revenue for the current quarter of RM11.9 million was significantly lower than the preceding year corresponding quarter of RM25.6 million due to completion of hardware supply contract to a major customer in August 2015.

The Group recorded a loss before taxation of RM1.9 million in the current quarter against a profit before taxation of RM0.1 million in the preceding year corresponding quarter due to decrease of hardware sales and also costs incurred for downsizing of staff.

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

IT Related Products & Services

The revenue for the current quarter of RM11.30 million was lower than the preceding year corresponding quarter of RM25.13 million due to decrease in volume of hardware sales.

This business segment reported a loss before taxation of RM2.22 million in the current quarter against a profit before taxation of RM0.66 million in the preceding year corresponding quarter in tandem with a significant drop in revenue resulted from absence of sales to a major customer.

Payment Solutions and Services

Revenue increased from RM0.48 million in the preceding year corresponding quarter to RM0.65 million in the current quarter due to higher number of net terminals installed.

This business segment reported a profit before taxation of RM0.165 million in the current quarter against a profit before taxation of RM0.10 million in the preceding year corresponding quarter as a result of improved revenue.

14. Comparison of results for the current quarter with the immediate preceding quarter

	<u>Current Quarter</u>	<u>Immediate Preceding Quarter</u>
	RM'000	RM'000
Revenue	11,953	16,933
(Loss) /profit before taxation	(1,896)	176

The Group's revenue for the current quarter decreased by 29.4% to RM11.95 million from RM16.93 million in the immediate preceding quarter due to lower volume of hardware sales.

The Group recorded a loss before taxation of RM1.9 million in the current quarter as compared to profit before taxation of RM0.18 million in the immediate preceding quarter in tandem with a significant drop in revenue resulted from absence of sales to a major customer.

15. Prospects

Due to the weak Ringgit and challenging market conditions faced by the ICT industry in particular, we do not expect the Group results to improve for the remaining period of the financial year. However, the Group is intensifying its marketing efforts in tendering high margin ICT projects. In line with the Group's strategy in enhancing its marketing efforts and service offerings, the Group has been actively engaging its strategic business partners to explore new business opportunities.

16. Variance for profit forecast / Shortfall in profit guarantee

Not applicable.

17. Taxation

	Current Year Quarter Ended 31.12.2015 RM'000	Cumulative Quarter Ended 31.12.2015 RM'000
Income tax		
- Current period	39	115
- Undeprovision in prior year	-	(11)
Tax expense	39	104

18. Status of corporate exercise

The Company had made the following announcements on 13 January 2016, 18 January 2016 and 24 February 2016:

- i) Proposed reduction of share premium account of the Company 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 of the Act, involving cancellation of RM 0.15 from the par value of every existing ordinary share of RM 0.25 each in Dataprep. (“Proposed Par value Reduction”);
- iii) Proposed private placement of up to 38,308,719 new ordinary shares of RM 0.10 each in Dataprep (“Placement Shares”), representing 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”); and
- iv) Proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Par Value Reduction (“Proposed M&A Amendments”).

19. Group borrowings

The Group’s borrowings are as follows:

		As at 31.12.2015 RM'000	As at 31.03.2015 RM'000
Short Term Borrowings:			
Secured			
- Banker acceptance		7,800	7,660
- Hire purchase		26	32
- Other borrowing		-	786
Total Short Term Borrowings	A	7,826	8,478
Long Term Borrowings:			
Secured			
- Hire purchase		185	204
Total Long Term Borrowings	B	185	204
Total Borrowings	(A + B)	8,011	8,682

All borrowings are denominated in Ringgit Malaysia.

20. Material litigation

There were no pending material litigation matters as at 31 December 2015.

21. Dividend proposed or declared

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

22. Earning/(Loss) per share

(a) Basic

	Current Year Quarter Ended 31.12.2015	Cumulative Quarter Ended 31.12.2015
Profit attributable to owners of the Company (RM'000)	(1,713)	(1,617)
Weighted average number of shares in issue ('000)	383,087	383,087
Earning per share (sen)	(0.45)	(0.42)

(b) Diluted

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

23. Capital commitment

The Group has no material capital commitment as at 31 December 2015.

24. Notes to the Consolidated Statement of Comprehensive Income

Total comprehensive income for the period is arrived at after charging / (crediting):

	Current Year Quarter Ended 31.12.2015 RM'000	Cumulative Quarter Ended 31.12.2015 RM'000
Interest expense	104	296
Depreciation of plant and equipment	100	317
Amortisation of intangible assets	19	74
and after crediting:		
Interest income	(205)	(666)
Write-back of allowance for doubtful debts	(19)	17

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 and (iii) exceptional items for the current quarter ended 31 December 2015.

Dataprep Holdings Bhd. (Company No.:183059-H)

Notes to the Interim Financial Statements –Third quarter ended 31 December 2015

25. Realised and unrealised profit/(losses)

	As at 31.12.2015	As at 31.03.2015
	RM'000	RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(170,717)	(169,076)
- Unrealised	-	-
	(170,717)	(169,076)
Less : Consolidation adjustments	111,693	111,669
Total group accumulated losses as per consolidated accounts	(59,024)	(57,407)

By Order of the Board
Dataprep Holdings Bhd

Lee Yoong Shyuan
Geng Mun Mooi
Company Secretaries
29 February 2016