

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

**SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE FIRST QUARTER AND THREE MONTHS ENDED 30 JUNE 2017**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER
		[30/06/2017] RM'000	[30/06/2016] RM'000	[30/06/2017] RM'000	[30/06/2016] RM'000
1	Revenue	13,214	6,075	13,214	6,075
2	(Loss)/ Profit before tax	(207)	(1,270)	(207)	(1,270)
3	(Loss)/Profit for the period	(205)	(1,270)	(205)	(1,270)
4	(Loss)/Profit attributable to owners of the Company	(65)	(1,269)	(65)	(1,269)
5	Basic (loss)/earning per share (sen)	(0.02)	(0.30)	(0.02)	(0.30)
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)		0.07		0.07

ADDITIONAL INFORMATION

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER
		[30/06/2017] RM'000	[30/06/2016] RM'000	[30/06/2017] RM'000	[30/06/2016] RM'000
1	Gross interest income	141	183	141	183
2	Gross interest expense	78	71	78	71

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND THREE MONTHS ENDED 30 JUNE 2017
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER
	[30/06/2017] RM'000	[30/06/2016] RM'000	[30/06/2017] RM'000	[30/06/2016] RM'000
Revenue	13,214	6,075	13,214	6,075
Operating expenses	(13,484)	(7,467)	(13,484)	(7,467)
Other operating income	147	198	147	198
Operating (loss)/profit	(123)	(1,194)	(123)	(1,194)
Finance costs	(84)	(76)	(84)	(76)
(Loss)/Profit before tax	(207)	(1,270)	(207)	(1,270)
Taxation	2	-	2	-
(Loss)/Profit for the period	(205)	(1,270)	(205)	(1,270)
Other comprehensive income/(loss):				
Foreign currency translation differences	(91)	13	(91)	13
Other comprehensive income for the period, net of tax	(91)	13	(91)	13
Total comprehensive (loss)/profit for the period	(296)	(1,257)	(296)	(1,257)
(Loss)/Profit for the period attributed to :				
Owners of the Company	(65)	(1,269)	(65)	(1,269)
Non-controlling interest	(140)	(1)	(140)	(1)
	(205)	(1,270)	(205)	(1,270)
Total comprehensive (loss)/profit attributable to:				
Owners of the Company	(156)	(1,256)	(156)	(1,256)
Non-controlling interest	(140)	(1)	(140)	(1)
	(296)	(1,257)	(296)	(1,257)
(Loss)/Earning per share :				
- basic (sen)	(0.02)	(0.30)	(0.02)	(0.30)
- 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)	0.07	0.07

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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 JUNE 2017**

	As at 30.06.2017 (Unaudited) RM'000	As at 31.3.2017 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,063	1,136
Intangible assets	51	68
Other Investments	75	75
	<u>1,189</u>	<u>1,279</u>
Current Assets		
Inventories	453	497
Trade receivables	21,277	22,449
Other receivables	1,383	1,207
Tax recoverable	151	155
Deposits, cash and bank balances	22,637	25,050
	<u>45,901</u>	<u>49,358</u>
TOTAL ASSETS	<u>47,090</u>	<u>50,637</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	43,863	43,863
Merger deficit	(13,509)	(13,509)
Foreign exchange reserve	29	120
Accumulated profit/ (losses)	373	438
	<u>30,756</u>	<u>30,912</u>
Non-controlling interest	1,228	1,368
Total equity	<u>31,984</u>	<u>32,280</u>
Non-current liabilities		
Long term borrowings	144	152
	<u>144</u>	<u>152</u>
Current Liabilities		
Trade payables	6,640	8,880
Other payables	3,100	4,393
Provision for taxation	-	2
Short term borrowings	5,222	4,930
Total current liabilities	<u>14,962</u>	<u>18,205</u>
Total liabilities	<u>15,106</u>	<u>18,357</u>
TOTAL EQUITY AND LIABILITIES	<u>47,090</u>	<u>50,637</u>
Net assets per share (RM)	<u>0.07</u>	<u>0.07</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER AND THREE MONTHS ENDED 30 JUNE 2017

	Attributable to the Owners of the Company					Non-distributable		Total Equity	
	Share Capital	Share premium	Merger deficit	Foreign exchange reserve	Accumulated profit/(losses)	Total	Non-controlling Interest	Total Equity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2017	43,863	-	(13,509)	120	438	30,912	1,368	32,280	
Loss for the period	-	-	-	-	(65)	(65)	(140)	(205)	
Foreign currency translation gain for foreign operations	-	-	-	(91)	-	(91)	-	(91)	
Total comprehensive loss for the period	-	-	-	(91)	(65)	(156)	(140)	(296)	
At 30 June 2017	43,863	-	(13,509)	29	373	30,756	1,228	31,984	

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2017

	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 profit/(losses) RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
At 1 April 2016	95,772	5,488	(13,509)	142	(58,429)	29,464	(109)	29,355
Loss for the financial year	-	-	-	-	(2,537)	(2,537)	(556)	(3,093)
Foreign currency translation gain for foreign operations	-	-	-	(22)	-	(22)	-	(22)
Total comprehensive loss for the period	-	-	-	(22)	(2,537)	(2,559)	(556)	(3,115)
Transactions with owners :								
Share Premium Reduction } Note 1	(57,463)	(5,488)	-	-	5,488	-	-	-
Share Capital Reduction } Note 2		1,724	-	-	57,463	-	-	-
Private Placement :- } Note 3								
-of Ordinary Shares } Note 4	3,830					5,554		5,554
Disposal of shares in a subsidiary to non-controlling interest	-	-	-	-	(1,547)	(1,547)	2,033	486
Total transactions with owners	(53,633)	(3,764)	-	-	61,404	4,007	2,033	6,040
Reclass of share premium to share capital	1,724	(1,724)	-	-	-	-	-	-
At 31 March 2017	43,863	-	(13,509)	120	438	30,912	1,368	32,280

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2017**

Note 1:

On 4 May 2016, the proposed reduction of the share premium account of the Company amounting to RM5,488,032 pursuant to Section 60(2) and 64(1) of the Companies Act, 1965 ("Act") ("Proposed Share Premium Reduction") and the proposed reduction of the issued and paid up share capital of the Company pursuant to Section 64(1) of the Act, involving cancellation of RM0.15 from the par value of every existing ordinary share of RM0.25 each in the Company ("Proposed Par Value Reduction") were completed. The credit arising from the Share Premium Reduction of RM 5,488,032 and the Par Value Reduction of RM 57,463,079 were utilised to set-off against the accumulated losses and the remaining credit was credited to the retained earnings of the Company.

Note 2:

Pursuant to the Proposed Private Placement as approved by Bursa Malaysia Securities Berhad ("Bursa Securities") vide its letter dated 2 March 2016 for the listing of the Placement Shares on the Main Market of Bursa Securities and the approval obtained from the shareholders of the Company at its Extraordinary General Meeting held on 4 April 2016, the Company issued 38,308,632 Placement Shares at the price of 0.145 per share giving rise to total proceeds of RM 5,554,752. On 23 May 2016, the Proposed Private Placement was completed following the listing and quotation of the 38,308,632 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad. Hence, the issued share capital of the Company was increased by RM3,830,863 representing 38,308,362 Placement Shares at par value of RM 0.10 each and give rise to a credit in the share premium account amounting to RM 1,723,888.

Note 3:

On 4 July 2016, the Company reduced its equity interest in Solsis (M) Sdn. Bhd. from 100% to 51% by disposing 8,290,800 ordinary shares, representing 49% of the paid up share capital for a cash consideration of RM497,448 to an outside corporation. This resulted in a loss of RM1,546,940 on comparison of the net consideration with the carrying value of the investment attributed to the owners within the equity of the Group. The disposal has the effect of increasing the non-controlling interest within equity of the Group by RM2,033,016.

Note 4:

Nominal value of shares is abolished on 31 January 2017, upon commencement of the Companies Act 2016 ("CA 2016"). According to transition provision of Section 618(2) of CA 2016, any amount standing to the credit of a Company's share premium account shall become part of the Company's share capital, upon commencement of Section 74, which abolishes nominal value of shares.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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 FIRST QUARTER AND THREE MONTHS ENDED 30 JUNE 2017

	Three Months Ended	
	30.06.2017 (Unaudited) RM'000	31.03.2017 (Audited) RM'000
Cash Flow from Operating Activities		
Loss before taxation	(207)	(3,064)
Adjustment for :-		
Non-cash items	120	409
Non-operating items	(63)	(529)
Operating loss before working capital changes	<u>(150)</u>	<u>(3,184)</u>
Decrease in inventories	40	186
Decrease) / (increase) in receivables	995	(6,356)
(Decrease) / increase in payables	(3,535)	6,293
Cash used in operations	<u>(2,650)</u>	<u>(3,061)</u>
Tax refund /(paid)	4	(133)
Interest received	141	669
Interest paid	(78)	(140)
Net cash used in operating activities	<u>(2,583)</u>	<u>(2,665)</u>
Cash flow from Investing Activities		
Purchase of plant and equipment	(23)	(240)
Purchase of intangible assets	-	-
Proceed from disposal of plant and equipment	-	-
Net proceed from disposal of shares in a subsidiary to non controlling interest	-	486
Acquisition of additional shares in a subsidiary from non controlling interest	-	-
Proceeds from private placement	-	5,554
Net cash generated from /(used in) investing activities	<u>(23)</u>	<u>5,800</u>
Cash flow from Financing Activities		
Drawdown /(Repayment) of borrowings	291	(1,721)
Payment of hire purchase liabilities	(7)	(26)
Net cash used in financing activities	<u>284</u>	<u>(1,747)</u>
Net increase /(decrease) in cash and cash equivalents	(2,322)	1,388
Effect of exchange rate fluctuations	(91)	(22)
Cash and cash equivalents at beginning of the year	25,050	23,684
Cash and cash equivalents at end of the period	<u>22,637</u>	<u>25,050</u>

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

	As at 30.06.2017 RM'000	As at 31.03.2017 RM'000
Deposits with licensed commercial banks	16,198	16,107
Cash and bank balances	6,439	8,943
Cash and cash equivalents	<u>22,637</u>	<u>25,050</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

1. Basis of preparation

The interim financial statements are audited 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 2017. The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 March 2017 except for the adoption of the following new and revised Malaysian Financial Reporting Standards (“MFRS”), Amendments to MFRSs and IC Interpretations:

Amendments to MFRSs and IC Interpretation

Amendment to MFRS 107 – Disclosure Initiative
Amendment to MFRS 112- Recognition of Deferred tax Assets for Unrealized Losses
Amendment to MFRS 12- Disclosure of Interests in Other Entities Classified as “Annual Improvement to MFRS 2014-2016 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 2018**
 - MFRS 9: Financial Instruments (IFRS 9 as issued by in July 2014)
 - MFRS 15: Revenue from Contracts with Customers
 - Classification to MFRS 15, Revenue from Contracts with Customers
 - Amendment to MFRS 2: Classification and Measurement of Share-based payment transaction
 - Amendment to MFRS 140- Transfers of Investment Property
 - IC Interpretation 22, Foreign Currency Transactions and Advance Consideration
- (b) **Effective for financial periods beginning on or after 1 January 2019**
 - MFRS 16 Leases
- (c) **Effective for annual periods beginning on or after a date to be determined by MASB**
 - Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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 2017 was not subject to any qualification.

3. Seasonality or cyclical nature 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.

Dataprep Holdings Bhd. (Company No.:183059-H)
Notes to the Interim Financial Statements –First quarter ended 30 June 2017

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) <i>IT Related Products and Services and Trading</i>	12,825	97	(97)	12,825
(b) <i>Payment Solutions & Services</i>	389			389
SALES BY SEGMENT	13,214	97	(97)	13,214
(a) <i>IT Related Products and Services and Trading</i>	(500)		1,276	776
(b) <i>Payment Solutions & Services</i>	(60)			(60)
SEGMENT RESULTS	(560)	-	1,276	716
Interest income				141
Unallocated expenses				(986)
Loss from operations				(129)
Interest expenses				(78)
Loss before taxation				(207)
Taxation				2
Loss after taxation				(205)

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 during the current quarter under review.

12. Changes in contingent liabilities (Secured)

Contingent Liabilities :-	Group		
	30.06.2017 RM'000	31.03.2017 RM'000	Increase/ (decrease) RM'000
Corporate guarantee given to financial institutions for: - Performance guarantees given to third parties	2,775	2,771	4
Total	2,775	2,771	4

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 RM13.21 million was significantly higher than the preceding year corresponding quarter of RM6.08 million due to more delivery and managed services projects and a short term supply contract rendered in the current quarter.

Consequently, the Group recorded a significant improvement on lower loss before taxation of RM0.21 million in the current quarter against a loss before taxation of RM1.27 million in the preceding year corresponding quarter.

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

IT Related Products and Services and Trading

The revenue for the current quarter of RM12.83 million was substantially higher than the preceding year corresponding quarter of RM5.67 million due to more delivery and managed services projects and a short term supply contract rendered in the current quarter.

As a result of increased revenue, this business segment recorded a profit before taxation of RM0.78 million in the current quarter against a loss before taxation of RM0.047 million in the preceding year corresponding quarter.

Payment Solutions and Services

The revenue decreased from RM0.40 million in the preceding year corresponding quarter to RM0.39 million in the current quarter due to lower number of terminals installed.

As a result of decreased revenue, this business segment reported a loss before taxation of RM 0.06 million in the current quarter against a loss before taxation of RM0.043 million in the preceding year corresponding quarter.

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	13,214	21,996
Loss before taxation	(207)	(731)

The Group's revenue for the current quarter decreased by 39.93% to RM13.2 million as compared to the immediate preceding quarter owing to undertaking of fewer delivery service projects of high value.

The Group however, recorded a lower loss before taxation of RM0.21 million in the current quarter as compared to a loss before taxation of RM0.73 million in the immediate preceding quarter due to improvement of gross margin from 11% to 18% contributed by managed services projects.

15. Prospects

The Group recorded an improvement of revenue from RM6.1M in the preceding year corresponding quarter to RM13.2M in the current quarter which resulted a lower loss after taxation of RM0.2M as compared to a loss after taxation of RM1.3M in the preceding year corresponding quarter.

Moving forward, the Group will continue to focus on more Managed Services ("MS") Projects with better margin, be selective on System Intergration ("SI") projects which contribute better margin and to shift focus towards private sector opportunities especially in the Financial Service Industry ("FSI") and also in the Oil & Gas ("O&G") sectors which we currently serve a broad array of customers.

In addition, we will continue with the costs cutting measures undertaken and to source for more higher gross margin new ICT business opportunities while maintaining the existing customers base. The Group will emphasis on its good delivery record as well as its nation-wide coverage advantage to source for such new opportunities.

Arising from the above measures, the Group is making efforts to mitigate the losses in the remaining period of the financial year

16. Variance for profit forecast / Shortfall in profit guarantee

Not applicable.

17. Taxation

	Current Year Quarter Ended 30.06.2017 RM'000	Cumulative Year Quarter Ended 30.06.2017 RM'000
Income tax		
- Current year	-	-
- Overprovision in prior year	2	2
Tax expense	2	2

18. Status of corporate exercise

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

19. Group borrowings

The Group's borrowings are as follows:

		As at 30.06.2017 RM'000	As at 31.03.2017 RM'000
Short Term Borrowings:			
Secured			
- Banker acceptance		5,194	4,904
- Hire purchase		28	26
Total Short Term Borrowings	A	5,222	4,930
Long Term Borrowings:			
Secured			
- Hire purchase		144	152
Total Long Term Borrowings	B	144	152
Total Borrowings	(A + B)	5,366	5,082

All borrowings are denominated in Ringgit Malaysia.

20. Material litigation

There were no pending material litigation matters as at 30 June 2017.

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 Quarter Ended 30.06.2017	Cumulative Quarter Ended 30.06.2017
Loss attributable to owners of the Company (RM'000)	(65)	(65)
Weighted average number of shares in issue ('000)	416,253	416,253
Loss per share (sen)	(0.02)	(0.02)

(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 30 June 2017.

24. Notes to the Consolidated Statement of Comprehensive Income

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

	Current Quarter Ended 30.06.2017 RM'000	Cumulative Quarter Ended 30.06.2017 RM'000
Interest expense	78	78
Depreciation of plant and equipment	96	96
Amortisation of intangible assets	17	17
and after crediting:		
Interest income	(141)	(141)

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 30 June 2017

25. Realised and unrealised losses

	As at 30.06.2017	As at 31.03.2017
	RM'000	RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(123,791)	(123,390)
- Unrealised	-	-
	(123,791)	(123,390)
Less : Consolidation adjustments	124,164	123,828
Total group accumulated profit/(losses) as per consolidated accounts	373	438

By Order of the Board
Dataprep Holdings Bhd

Tee Lee Leng
Geng Mun Mooi
Company Secretaries
29 August 2017