

01/10/1998

Dataprep hopes new contracts will help it turn around

COMPUTER firm Dataprep Holdings Bhd, now undergoing a restructuring, is aiming to return to profitability in the current year ending March 31, 1999, chief operating officer Yeoh Kee Pin said yesterday.

He said the company, which recorded losses for the past two years, would get a clearer picture for the current year by October, when it hopes to secure several new contracts.

"We have tendered for many projects and if we can get some, we should turn around the company which has been in a break-even situation for the first half of this year."

The company also expects a financial boost through an expected revenue of RM50 million from its Millennium Bug-related vendorship activities over the next six to 12 months.

"In the next 30 days, we expect some results and can do some sort of forecast for this year," Yeoh told reporters after the annual meeting in Kuala Lumpur.

Yeoh said this forecast would allow the management to finalise the details of Dataprep's planned RM50 million rights issue to address its shareholders' funds deficit of RM36.04 million as at March 31, 1998.

Last year, after falling in deep debt, it trimmed the group structure by letting go of non-core businesses in the retail and distribution side of the information technology market.

As at March 31, 1998, Dataprep owed creditors RM45.74 million and had short term borrowings amounting to RM75.75 million.

Dataprep posted a group pre-tax loss of RM33.48 million and RM8.79 million for the 1997 and 1998 financial years respectively.

Yeoh said the company is currently bidding for "many projects, from small to big ones" such as the Government's smart school project.

He did not disclose the total value of the company's current bids or the nature of the projects.

Yeoh added that the company's proposal for a rights issue would only be submitted to the authorities after a proper performance forecast.

"We have done the basic work, audit and appointed a merchant bank for the rights issue, but we need to revise our forecast."

Chairman and chief executive officer Mirzan Mahathir said Dataprep "is stable now" and will not sell off any more of its subsidiaries.

"Last year we were in a stressed position so we took measures to divest (some assets). Our error was in losing focus."

"Our focus is now better in systems integration and we are ensuring that internal controls are being tightened. Now we will try to turn around the company, and Dataprep is presently meeting its commitments and having a better cash flow."

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