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DATAPREP-RIGHTS

DATAPREP PLANS RIGHTS ISSUE TO IMPROVE FINANCIAL POSITION

KUALA LUMPUR, Sept 25 (Bernama) -- Dataprep Holdings Bhd, which is facing shareholders' funds deficit and current liabilities exceeding current assets, is planning a rights issue of RM50 million and aims to secure more contracts to improve its financial position.

But the amount and entitlements will be decided at the appropriate time, said chairman and chief executive officer, Mirzan Mahathir, who took over his current position on Oct 31 last year.

At this time, the group is well on its way to recovery, said Mirzan in the company's latest annual report.

Painting a better future, he said monthly sales for the new year generated sufficient cash flow to meet all expenditure, including finance cost while control systems and policies have been changed to be in synergy with business.

During the year, the group had proposed several large information technology projects to its customers in the government and private sectors to improve their competitive edge, he said.

It has secured a contract to develop and build a managed electronic township at Kulim Hi-Tech Park in Kedah in a joint venture and hoped to secure more contracts, especially if the Malaysian economy improved in the coming years.

Describing the year ended March 31, 1998 as a year of consolidation, Mirzan said the group's business was revamped by selling or closing down business that were not core to the group.

The group is now concentrating on the business of systems integration backed by a creative software design team, a strong hardware and peripherals procurement team and a nationwide customer support network, he added.

Dataprep's auditors said in the annual report that the company and group's continuation as a going concern is dependent upon the ability to generate cash flow to meet obligations on a timely basis, to comply with the terms of financing agreements, to obtain additional financing or refinancing as may be required, and ultimately to attain profitability.

They said the validity of preparing Dataprep's accounts on the going concern basis depends upon successful completion of the plans (rights issue) and efforts (to secure more contracts).

It said Dataprep's shareholders' funds were in deficit of RM36.038 million by March 31, 1998.

Current liabilities of the group and company exceeded current assets by RM48.333 million and RM4.611 million respectively, the auditors said.

For the year ended March 31, 1998 Dataprep incurred a group after tax loss of RM8.793 million. -- BERNAMA

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