

# VXL to take major stake in Dataprep

Move seen as <sup>SUN 14/1/20</sup> backdoor listing for **chino king** Lim Goh Tong's son Chee Wah

**KUALA LUMPUR:** Lim Chee Wah, son of Malaysia's casino king Tan Sri Lim Goh Tong, is seeking a **backdoor** listing for his private vehicle **VXL Holdings Bhd** through **loss-making Dataprep Holdings Bhd**.

In a statement to the KLSE, **Dataprep** said it has entered into a memorandum of understanding with **VXL Holdings** for the latter to subscribe for 40 million new shares and 15.15 million warrants for a total of **RMS3.03 million** cash.

With this, **VXL** will end up with a 71.44% stake in **Dataprep** and will be required to make a mandatory general offer (MGO) for all the remaining shares in **Dataprep**.

However, **Dataprep** said **VXL** is seeking a waiver from the Securities Commission from having to undertake the MGO, and the deal is conditional upon receiving this waiver.

**VXL** is an investment holding company with diversified interests in telecommunications, information technology, construction and property development.

The subscription, **Dataprep** said, is part of a proposed restructuring

scheme to trim the group's debt to a more manageable level, reduce the strain on cashflow, and ensure that the group has sufficient funds for its existing business.

The restructuring, among others, involves a 50% reduction in its share capital and the subsequent consolidation of two **Dataprep** shares of 50 sen each into one share of **RM1** each. This will reduce **Dataprep's** share capital to **RM16 million** from **RM32 million** presently.

**Dataprep** said the capital reduction and consolidation is to partially extinguish the group's share capital which is not represented by assets. As at **March 31, 1999**, the group has an audited net liability of **RM36 million** and accumulated loss of about **RM54 million**.

The restructuring also calls for a debt waiver of 30% of the principal amount of the group's unsecured bank borrowings of **RM64 million** as at **Dec 31, 1999**.

A total of 70% of the remaining debt, **Dataprep** said, will be settled as follows:

□ 21% of the principal amount will be paid in cash

via proceeds raised from **VXL's** proposed subscription of new shares and warrants.

□ 49% will be settled by an issue of 4% five-year irredeemable convertible unsecured loan stock (ICULS) on the basis of **RM1** nominal value of ICULS for every **RM1** of outstanding principal amount.

As an integral part of the scheme, **VXL** will offer for sale 10.94 million new shares in **Dataprep** from its proposed subscription

to **Mirzan Mahathir** (who is an existing major shareholder and chairman and CEO of **Dataprep**) at an offer price of **RM1.25** a share.

It is also proposing to offer for sale 13.09 million warrants at 20 sen per warrant to existing shareholders of **Dataprep** excluding all bumiputra investors who will participate in the proposed offer for sale of shares. The ratio for the rights to the warrants will be determined later.

**Dataprep** is also proposing an employee share option scheme (ESOS) of not more than 10% of its paid-up capital at any point in time during the duration of the ESOS.

**Dataprep** said **VXL's** subscription price of **RM53.03 million** was arrived at after accounting for the group's net liability position of **RM36 million** as at **March 31, 1999**.

For the year ended **March 31, 1999**, the group posted a net loss of **RM200,000**, a marked improvement from its **RM8.8 million** loss the previous year.

The restructuring is subject to the approval of shareholders and the relevant authorities.