
15. STATUTORY AND GENERAL INFORMATION

15.1 Share Capital

- (i) No shares will be allotted on the basis of this Prospectus later than twelve (12) months after the date of issue of this Prospectus.
- (ii) There are no founder, management or deferred shares in the Company. As at the date of this Prospectus, there is only one class of shares in the Company namely ordinary shares of RM0.10 each, all of which rank *pari passu* with one another.
- (iii) Save as disclosed in Section 5.3 of this Prospectus, no shares and debentures of the Company and its subsidiaries have been issued or are proposed to be issued as fully or partly paid-up in cash or otherwise, within the two (2) preceding years from the date of this Prospectus.
- (iv) Save for the Issue Shares reserved for the employees of the DVM Group as disclosed in Section 3.4 of this Prospectus, no person including Directors or employees of the DVM Group has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of the Company or its subsidiaries nor has any options to subscribe for securities been granted or exercised by any Directors or employees during the last financial year.
- (v) Other than the Issue Shares reserved for the employees of the DVM Group as disclosed in Section 3.4 of this Prospectus, there is currently no scheme involving the Directors and employees in the share capital of the Company or its subsidiaries.
- (vi) As at the date of this Prospectus, the Group does not have any outstanding convertible debt securities.
- (vii) There are no restrictions on the transfer of the Shares of the Company, except as disclosed in Section 6.7 of this Prospectus and otherwise required by law.

15.2 Articles of Association

The provisions in the Articles of Association of the Company (the words and expressions appearing in the following provisions shall bear the same meanings used in the Company's Articles of Association), the MMLR, the Act and the Rules of MCD in respect of the arrangements for transfer of securities and restrictions on their free transferability are as follows:-

15.2.1 Transfer of Securities and Transmission of Securities

The provisions in the Articles of Association of the Company in respect of the arrangements for transfer of the securities and restrictions on their free transferability are as follows:-

(i) *Articles of Association of the Company*

Article 24

The transfer of any listed securities or class of listed securities of the Company which have been deposited with the Central Depository shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act, and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such securities.

15. STATUTORY AND GENERAL INFORMATION *(Cont'd)*

Article 24A

Subject to the provisions of the Act, the Central Depositories Act and the Rules, the transfer of all other shares of the Company not so deposited with the Central Depository (not being Deposited Securities) shall be in the manner provided in the Act (including the applicable sections of Table "A" in the Fourth Schedule to the Act) to the extent that the same is not inconsistent with these Articles.

Article 25

Subject to the provisions of the Act, the Central Depositories Act and the Rules, the registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding in the whole, thirty (30) days in any year. Eighteen (18) market days' notice, or such other period as may from time to time be specified by the Exchange governing the Register concerned, of intention to close the Register shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange. The said notice shall state the period and purpose or purposes for which the Register is being closed.

Article 26

Subject to the provisions of these Articles, the Directors may recognise a renunciation of any share by the allottee thereof in favour of some other person.

15.2.2 Remuneration of Directors

The provisions in the Articles of Association of the Company dealing with the remuneration of the Directors are as follows:

Article 90

The Directors shall be paid by way of fees for their services, such fixed sum (if any) as shall from time to time be determined by the Company in general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine (or failing agreement, equally). PROVIDED ALWAYS that:-

- (a) fee payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- (b) salaries payable to Directors who hold an executive office in the Company may not include a commission on or percentage of turnover.
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting.
- (d) any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

15. STATUTORY AND GENERAL INFORMATION (Cont'd)

Article 91

- (1) The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of the Directors or any committee of the Directors of the Company.
- (2) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determine by the Board of Directors provided that in the case of non-executive Directors of the Company, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an Executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.

15.2.3 Voting and Borrowing Powers of Directors

The provisions in the Articles of Association of the Company dealing with voting powers of the Directors in relation to proposals, arrangements or contracts in which they are interested in and their borrowing powers exercisable by them and how such borrowing powers can be varied are as follows:-

Article 93

The business of the Company shall be managed by the Directors who may pay all expenses incurred in promoting and registering the Company, and exercise all such powers of the Company as are not by these Articles required to be exercised by the Company in general meeting, subject nevertheless, to any of these Articles, to the provisions of the Act, and to such resolutions, not being inconsistent with these Articles or the provisions of the Act as may be prescribed by the Company in general meeting but no resolution made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if such resolution had not been made.

Article 94

The Directors shall not without the prior approval of the Company in general meeting:-

- (a) carry into effect any proposal or execute any transaction for the acquisition of any undertaking or property of a substantial value, or the disposal of a substantial portion of or a controlling interest in the Company's main undertaking or property;
- (b) exercise any power of the Company to issue shares unless otherwise permitted under the Act;
- (c) subject to Sections 132E and 132F of the Act, enter into any arrangement or transaction with a Director of the Company or its holding company or with a person connected with such a Director, to acquire from or dispose to such a Director or person, any non-cash assets of the requisite value.

15. STATUTORY AND GENERAL INFORMATION (Cont'd)

Article 95

- (1) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or any related corporation as may be thought fit.
- (2) The Directors shall not borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

Article 96

The Directors may establish or arrange any contributory or non-contributory pension or superannuation scheme for the benefit of, or pay a gratuity, pension or emolument to any person who is or has been employed by or in the service of the Company or any subsidiary of the Company, or to any person who is or has been a Director or other officer of and holds or has held salaried employment in the Company or any such subsidiary, and the widow, family or dependants of any such person. The Directors may also subscribe to any association or fund which they consider to be for the benefit of the Company or any such subsidiary or any such person as aforesaid and make payments for or towards any hospital or scholastic expenses and any Director holding such salaried employment shall be entitled to retain any benefit received by him hereunder subject only, where the Act requires, to proper disclosure to the Members and the approval of the Company in general meeting.

15.2.4 Changes in Share Capital and Variation of Class Rights

The provisions in the Articles of Association of the Company as to changes in share capital and variation of class rights, which are no less stringent than those required by law, are as follows:-

Article 3

Without prejudice to any special rights previously conferred on the holders of any existing shares but subject to the Act and to these Articles, shares in the Company may be issued by the Directors and any such shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Directors subject to any ordinary resolution of the Company, may determine.

Article 4

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of these Articles and the Act and to the provisions of any resolution of the Company, shares in the Company may be issued by the Directors, who may allot, or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights, and subject to such restrictions and at such times as the Directors may determine but the Directors in making any issue of shares shall comply with the following conditions:-

- (a) no shares shall be issued at a discount except in compliance with the provisions of Section 59 of the Act;

15. STATUTORY AND GENERAL INFORMATION (*Cont'd*)

- (b) in the case of shares offered to the public for subscription, the amount payable on application on each share shall not be less than five per cent (5%) of the nominal amount of the share;
- (c) in the case of shares, other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles and in the resolution creating the same;
- (d) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the Members of the Company in general meetings;
- (e) every issue of shares or options to employees and/or Directors of the Company shall be approved by the Members in general meeting and no Director shall participate in such issues of shares unless: -
 - (i) the Members in general meeting have approved of the specific allotment to be made to such Director; and
 - (ii) he holds office in the Company in an executive capacity PROVIDED ALWAYS that a Director not holding office in an executive capacity may so participate in any issue of shares pursuant to a public issue or public offer or special issue, such participation to be approved by the relevant authorities.

Article 5

Subject to the Act, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed but the total nominal value of the issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time and the Company shall not issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have the same rights as ordinary shareholders in relation to receiving notices, reports and audited accounts and attending general meetings of the Company. Preference shareholders shall also have the rights to vote at any meeting convened:-

- (a) where any resolution or proposal is to be submitted to the meeting:
 - (i) for the purpose of reducing the share capital of the Company, disposing of the whole of the property, business or undertaking of the Company or winding up of the Company; or
 - (ii) which affects rights attached to the preference shares;
- (b) when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months; or
- (c) during the winding up of the Company.

The rights attaching to shares of a class other than ordinary shares shall be expressly set out in these Articles.

15. STATUTORY AND GENERAL INFORMATION (Cont'd)

Article 6

Notwithstanding Article 7 hereof, the repayment of preference share capital other than redeemable preference shares, or any alteration of preference shareholder's rights may only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

Article 7

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy, one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution, the provisions of Section 152 of the Act shall with such adaptations as are necessary, apply.

Article 46

The Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase directs.

Article 50

The Company may by ordinary resolution:-

- (a) increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) divide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association by subdivision of its existing shares of any of them subject nevertheless to the provisions of the Act and so that as between the resulting shares, one or more of such shares may, by the resolution by which such sub-division is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares; and
- (d) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

15. STATUTORY AND GENERAL INFORMATION (Cont'd)

Article 51

Subject to and in accordance with the provisions of the Act and such other relevant law, regulation or guideline for the time being in force, the Company is allowed and shall have power, to the fullest extent permitted, to purchase any of its own shares and other securities and thereafter, the Directors may resolve and shall have the fullest power to deal with such purchased shares or other securities in accordance with the provisions of the Act and such other relevant law, regulation or guideline.

Article 52

The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any authorization, and consent required by law.

15.3 Directors, Substantial Shareholders and Key Management

- (i) The names, addresses and occupations of the Directors are set out in Section 1 of this Prospectus.
- (ii) A Director is not required to hold any qualification share in the Company unless otherwise so fixed by the Company at general meeting.
- (iii) No Director, key management personnel, key technical personnel or person nominated to become a Director or key management personnel is or was involved in or was involved in the following events (whether in or outside Malaysia):-
 - (a) a petition under any bankruptcy or insolvency laws filed against such person or any partnership in which he is or was a partner or any corporation of which he is or was a director or key personnel;
 - (b) a conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
 - (c) the subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or governmental body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.
- (iv) Based on the Register of Substantial Shareholders as at the date of this Prospectus, the direct and indirect interests of the substantial shareholders of DVM immediately before and after the Public Issue are as follows:

15. STATUTORY AND GENERAL INFORMATION (Cont'd)

Shareholders	Nationality / Country of Incorporation	← Before the Public Issue →				← After the Public Issue →			
		← Direct →		← Indirect →		← Direct →		← Indirect →	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Goh Kian Seng ^(a)	Malaysian	25,992,000	21.66	-	-	25,992,000	16.25	-	-
Chen Chee Peng ^(a)	Malaysian	8,819,999	7.35	-	-	8,819,999	5.51	-	-
Datamat ^(b)	Thailand	61,200,001	51.00	-	-	61,200,001	38.25	-	-
Media Edge ^(b)	Malaysia	23,988,000	19.99	-	-	23,988,000	14.99	-	-
Daud Bin Ibrahim	Malaysian	-	-	23,988,000 ⁽¹⁾	19.99	-	-	23,988,000 ⁽¹⁾	14.99
Cyber Venture Co. Ltd	Thailand	-	-	61,200,001 ⁽²⁾	51.00	-	-	61,200,001 ⁽²⁾	38.25

Notes:

(1) Deemed interest by virtue of his interest in Media Edge

(2) Deemed interest by virtue of his interest in Datamat.

(a) Promoter, substantial shareholder and Director.

(b) Promoter and substantial shareholder.

- (v) Based on the Register of Directors' Shareholdings as at the date of this Prospectus, the direct and indirect interests of the Directors in the shares of DVM immediately before and after the Public Issue are as follows:

Shareholders	Nationality	← Before the Public Issue →				← After the Public Issue →			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Gen (R) Tan Sri Abdul Rahman Bin Abdul Hamid	Malaysian	-	-	-	-	-	-	-	-
Dato' Goh Kian Seng	Malaysian	25,992,000	21.66	-	-	25,992,000	16.25	-	-
Chen Chee Peng	Malaysian	8,819,999	7.35	-	-	8,819,999	5.51	-	-
Lee Chiew Hooi	Malaysian	-	-	-	-	-	-	-	-
Vinai Phongsathorn	Thai	-	-	-	-	-	-	-	-
Manoo Ordeedolchest	Thai	-	-	-	-	-	-	-	-
Kamol Piriyanish	Thai	-	-	-	-	-	-	-	-
Kamarudin Bin Ngah	Malaysian	-	-	-	-	-	-	-	-
Lum Heap Sum	Malaysian	-	-	-	-	-	-	-	-

- (vi) Save as disclosed in Section 10.6 of this Prospectus, there are no existing or proposed service contracts between DVM or its subsidiaries, and its Directors or key management.

15. STATUTORY AND GENERAL INFORMATION (Cont'd)

- (vii) No fees have been paid to the Directors of DVM since incorporation on 25 March 2003. The aggregate remuneration and benefits paid to the Directors for services rendered in all capacities to its subsidiaries in the last two (2) financial years ended 30 September 2001 and 30 September 2002 were RM480,000 and RM617,000 respectively, and for the nine (9) months financial period ended 30 June 2003 was RM378,000.
- (viii) Save as disclosed in this Prospectus, none of the Directors have any interest in any contract or arrangement, which is significant in relation to the business of the Company and its subsidiaries taken as a whole subsisting at the date of this Prospectus.
- (ix) Save as disclosed in Section 11.4 of this Prospectus, none of the Directors or major shareholders have any interest, direct or indirect, in the promotion of or in any assets which have been, within the two (2) preceding years of the date of this Prospectus, acquired or disposed of by or leased to or proposed to be acquired, disposed of by or leased to the Company or its subsidiary.
- (x) Save as disclosed in Section 10.6 of this Prospectus, there are no material agreements in which any director or substantial shareholder of the Company is interested and which is significant in relation to the business of the Company and its subsidiaries taken as a whole subsisting at the date of this Prospectus.
- (xi) The Group has no convertible securities.
- (xii) None of the Directors, key management nor substantial shareholder and/or persons connected to them (as defined under Section 122A of the Act) are engaged in any existing and potential related party transactions in relation to the corporation and its related parties and conflict of interest in relation to the corporation and its related parties.
- (xiii) Save as disclosed in Section 11.3 of this Prospectus, none of the Directors nor substantial shareholder and/or key management are interested, directly or indirectly in any business and company carrying on a similar trade as the Company and its subsidiary companies.

15.4 General

- (i) The nature of DVM's business is described in Section 5.6 of this Prospectus. Other than mentioned in Section 5.7 of this Prospectus, there is no corporation which is deemed to be related to DVM by virtue of Section 6 of the Act.
- (ii) The estimated expenses and fees, including brokerage, underwriting commission and placement fee relating to the Issue Shares, incidental to the Listing amounting to RM1,400,000 will be borne by the Company.
- (iii) Save as disclosed in Section 3.7 of this Prospectus, no commissions, discounts, brokerages or other special terms were granted by the Company within the two (2) years immediately preceding the publication of this Prospectus in connection with the issue or sale of any capital of the Company or its subsidiaries.
- (iv) During the last financial year and the current financial year up to the date of this Prospectus, there were no:-
 - (a) public takeover offers by third parties in respect of the Company's shares; and
 - (b) public takeover offers by the Company in respect of other companies' shares.
- (v) The name and address of the Auditors and Reporting Accountants of the Company are set out in Section 1 of this Prospectus.

15. STATUTORY AND GENERAL INFORMATION (Cont'd)

- (vi) Save for the respective remunerations of the Directors, no amount or benefit has been paid or given within the two (2) preceding years of the date of this Prospectus, nor is it intended to be so paid or given, to any Promoter.
- (vii) Save as disclosed in this Prospectus, and to the best knowledge of the Directors of the Group, the financial performance, position and operations of DVM and its subsidiaries are not affected by any of the following:-
 - (a) known trends, demands, commitments, events or uncertainties that have had or that the DVM Group reasonably expects to have, a material favourable or unfavourable impact on the financial performance, position and operations of the Group;
 - (b) other material commitments for capital expenditure;
 - (c) unusual or infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the Group; and
 - (d) known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.
- (viii) The Company and its subsidiaries have not established a place of business outside Malaysia.
- (ix) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 16 of this Prospectus.
- (x) The date and time of the opening of the Application of the Public Issue is set out in Section 3.2 of this Prospectus.
- (xi) The amount payable in full on application is RM0.40 per Issue Share.
- (xii) Save for the Public Issue, there is no intention on the part of the Directors of the Company to issue any part of the authorised but unissued share capital of the Company as at the date of this Prospectus.
- (xiii) Save for the Rights Issue which was completed on 10 September 2003, DVM has not offered any securities by way of rights or allotment to the holders of the existing securities.
- (xiv) Save as disclosed in Section 5.3, there is no capital of the Company or any of its subsidiaries, which has within two (2) years immediately preceding the publication of this Prospectus been issued or is proposed to be fully or partly paid-up otherwise than in cash and the consideration for which the same has been or is to be issued.
- (xv) Save as disclosed in Section 5.3, there is no capital of the Company or any of its subsidiaries, which has within two (2) years immediately preceding the publication of this Prospectus been issued or is proposed to be issued for cash, the price and terms upon which the same has been or is to be issued and (if not already fully paid) the dates when any instalments are payable with the amount of all calls or instalments in arrears.
- (xvi) Save for the Pink Forms Allocation, there is currently no scheme involving the employees in the capital of the Company.
- (xvii) Save as disclosed in Section 10.1, so far as known to the Company, there does not exist any persons, who, directly or indirectly, jointly or severally, exercise control over the Company.

15. STATUTORY AND GENERAL INFORMATION (Cont'd)

15.5 Material Litigation and Contingent Liabilities

As at the date of this Prospectus, DVM and its subsidiaries are not engaged in any litigation or arbitration, either as plaintiff or defendant which have a material effect on the financial position of DVM or its subsidiaries, and the Directors of the Company have no knowledge of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company or its subsidiaries.

15.6 Material Contracts

Save as disclosed below, there are no contracts which are or may be material, not being contracts entered into in the ordinary course of business, which have been entered into by the Company and its subsidiaries during the two (2) years preceding the date of this Prospectus:-

- (i) A Sale of Shares Agreement dated 6 June 2002 entered into between ETC ("Purchaser") and Chen Chee Peng ("Vendor") for the sale of thirty percent (30%) of the entire issued and paid-up capital of Adtel from the Vendor to the Purchaser for a cash consideration of RM997,270;
- (ii) A Management and Service Agreement dated 4 September 2002 entered into between ETC and Dato' Goh Kian Seng for a period of three (3) years thereafter or one (1) year after ETC is listed on any stock exchange of any jurisdiction, whichever is earlier, after which it will be renewed on such terms to be mutually agreed by both parties;
- (iii) A Management and Service Agreement dated 4 September 2002 entered into between ETC and Chen Chee Peng for a period of three (3) years thereafter or one (1) year after ETC is listed on any stock exchange of any jurisdiction, whichever is earlier, after which it will be renewed on such terms to be mutually agreed by both parties;
- (iv) An Agreement dated 20 February 2003 entered into between Adtel and Agilent Technologies Malaysia (Sales) Sdn Bhd ("Agilent") whereby Adtel has agreed to provide professional information technology services to the network management system, on a timely basis which will be used in the execution and implementation of Agilent's project site;
- (v) A Sale of Shares Agreement dated 28 March 2003 entered into between DVM and the Vendors to acquire the entire issued and paid-up share capital of ETC comprising 1,500,000 ordinary shares of RM1.00 each for a total consideration of RM7,349,570 to be satisfied by the issuance of 73,495,700 ordinary shares of RM0.10 each in DVM at par; and
- (vi) An Underwriting Agreement dated 14 November 2003 entered into between the Company, PMBB, Kuala Lumpur City Securities Sdn Bhd, Malaysian International Merchant Bankers Berhad and Mayban Securities Sendirian Berhad to underwrite 12,000,000 Issue Shares.

15. STATUTORY AND GENERAL INFORMATION (Cont'd)

15.7 Material Agreements

Save as disclosed below, there are no other subsisting material agreements which have been entered into by the Company and its subsidiaries:-

(i) The banking facilities of the DVM Group are as follows:-

Subsidiary	Financier	Type of facility	Facility amount RM'000	Collateral
ETC	Citibank Berhad	Overdraft and Trade Facilities	2,500	<ul style="list-style-type: none"> (i) Third party first legal charge of RM2.5 million on a freehold residential property located in Bandar Sg Long; (ii) Deed of Assignment for RM2.5 million over one (1) unit of freehold office suite located at Petaling Jaya; (iii) Joint and several guarantee for RM2.5 million by Dato' Goh Kian Seng and Chen Chee Peng*; (iv) Corporate guarantee for RM2.5 million by Media Edge*; and (v) Time deposit of RM340,000.
Adtel	Citibank Berhad	Overdraft and Trade Facilities	1,000	<ul style="list-style-type: none"> (i) Third party second legal charge of RM1.0 million on a freehold residential property located in Bandar Sg Long; (ii) Deed of Assignment for RM1.0 million over one (1) unit of freehold office suite located at Petaling Jaya; (iii) Joint and several guarantee for RM1.0 million by Dato' Goh Kian Seng and Chen Chee Peng*; (iv) Corporate guarantee for RM1.0 million by Media Edge*; (v) Corporate guarantee for RM1.0 million by ETC; and (vi) Time deposit of RM340,000.

15. STATUTORY AND GENERAL INFORMATION (Cont'd)

Subsidiary Financier		Type of facility	Facility amount RM'000	Collateral
Adtel (Cont'd)	RHB Bank Berhad	Overdraft and Trade Facilities	1,000	<ul style="list-style-type: none"> (i) Negative pledge; (ii) Fixed deposit of RM0.25 million together with the duly executed and stamped Letter of Set Off. Interest accruing to the fixed deposit shall be pledged as additional security; (iii) A sum equivalent to 3% of each payment received by the Bank under contracts financed by the Bank is to be placed in fixed deposits as sinking funds. Sinking funds shall accumulate to an equivalent amount of RM0.75 million and all interest accruing shall be pledged as additional security; (iv) Against an equitable Master Deed of Assignment, to cover proceeds of all contracts, present and future, to be financed by the Bank with:- <ul style="list-style-type: none"> (a) Notice of assignment of contract payments to be given to the awarder for each contract financed by the Bank; and (b) An irrevocable letter of instruction to the awarder(s) to direct contract proceeds to Adtel's account with the Bank and to be duly acknowledged by the awarder;

15. STATUTORY AND GENERAL INFORMATION (Cont'd)

Subsidiary	Financier	Type of facility	Facility amount RM'000	Collateral
Adtel (Cont'd)	RHB Bank Berhad	Overdraft and Trade Facilities	1,000	(v) A project account (i.e. non-cheque book account) shall be opened to channel all proceeds of the project financed by the Bank. The Bank will credit 17% of the proceeds (after 3% sinking fund placement) to Adtel's current account to be opened with the Bank. The remaining 80% will be retained towards settlement of the outstanding multi-trade line for the project financed by the Bank; (vi) Guarantee cover from Credit Guarantee Corporation (M) Berhad for at least RM0.525 million; (vii) Joint and several guarantee of the following for RM1.0 million :- (a) Dato' Goh Kian Seng;* (b) Chen Chee Peng*; (viii) Corporate guarantee of Media Edge* for RM1.0 million; and (ix) Corporate guarantee of ETC for RM1.0 million.

Note :-

* *Datamat has undertaken to substitute the personal guarantees and corporate guarantees from Dato' Goh Kian Seng, Chen Chee Peng and Media Edge, subject to the approval of the lenders, subsequent to the completion of the Listing.*

- (ii) The DVM Group has a total insurance coverage of approximately RM7,237,450, which comprises fire policies insurance coverage, burglary, group personal accident and group hospital and surgical insurance coverage.

15.8 Taxation Issues

As at the date of this Prospectus, the DVM Group have submitted its tax returns up to the year of assessment 2002 (financial year ended 30 September 2002) to the Inland Revenue Board ("IRB"). Based on the latest notice of assessments from IRB, the IRB has finalised the tax assessments for years of assessment 1998, 1999 and 2000 (preceding year basis). The IRB has yet to finalise the tax assessment for the years of assessment 2001 and 2002.

Save for the non-finalisation of the tax assessment as mentioned above, there are no pending contentious or material tax issues that need to be disclosed in or adjusted for in the financial statements for the periods under review.

15. STATUTORY AND GENERAL INFORMATION (Cont'd)

15.9 Insurance Policies

The DVM Group have purchased the following insurance policies which are renewed periodically and reviewed regularly to ensure that all insurable risks of the DVM Group are adequately provided for:-

	Amount insured RM
(i) All risks (machine and equipment)	97,450
(ii) Burglary	400,000
(iii) Fire	500,000
(iv) Group personal accident (includes hospitalisation and surgical)	6,240,000
Total	<u>7,237,450</u>

15.10 Accounting Treatment for the R&D Costs

The accounting policy of R&D costs are as follow:

- (i) Research costs are recognised as an expense in the period in which they are incurred.
- Expenditure on development is charged to the income statement in the year in which it is incurred except where a clearly defined project is undertaken and it is reasonably anticipated that development costs will be recovered through future commercial activities. Such development costs are recognised as an intangible asset and amortised on a straight line method over the life of the project from the date of commencement of commercial operations, which is on average 5 years.
- (ii) The following R&D costs are capitalized :
- (a) salaries, wages and other employment related costs of personnel engaged in R&D activities;
 - (b) the costs of materials and services consumed in R&D activities; and
 - (c) capital expenditure used for R&D activities.
- (iii) The above accounting treatment for R&D costs are in compliance with MASB 4 as the R&D costs capitalised have met the recognition criteria and are amortised and charged to the income statements over a period of 5 years as stipulated in Paragraphs 17 and 21 of MASB 4.

15.11 Trade Receivables Ageing Analysis

Details of the overdue trade debts of the DVM Group based on the latest audited accounts as at 30 June 2003 together with their respective overdue periods and the provisions/write-off of doubtful debts are set out below:

15. STATUTORY AND GENERAL INFORMATION (Cont'd)

Overdue Periods (months)	Total Overdue Trade Debts (net of provision for doubtful debts) as at 30 June 2003 RM'000
3 – 6	895
7 – 10	2,408
11 – 14	663
15 – 18	3,013
19 – 22	1,216
Above 22	25
Total	8,220
General provision for doubtful debts / bad debts written off	306

Overall, majority of the trade debts are within the credit period of between 30 days to 45 days. The amounts outstanding which exceeded the credit period mainly represent an amount owing by a customer who is settling the outstanding debt via monthly instalment payments. As at 30 June 2003, approximately 28% or RM8,220,000 out of the total trade debtors of RM29,251,000 of the DVM Group were overdue. However, out of the RM8,220,000 overdue trade debts, a total provision of RM306,000 has been provided as doubtful debts, leaving a total net overdue trade debts of RM7,914,000 as at 30 June 2003.

The DVM Group will implement the following credit management policy:

- (i) extend credit to customers based upon careful evaluation of the customers' financial condition and credit history;
- (ii) obtain secured mode of payment such as letters of credit from customers;
- (iii) include payment schedules in system/service agreements entered into with customers; and
- (iv) negotiate and enter into settlement agreements with long outstanding debtors.

Save for the provision for doubtful debts of approximately RM306,000 for the nine (9) months financial period ended 30 June 2003, the Directors of DVM Group are of the view that the overdue trade debts of the Group are recoverable based on the good business relationships with the debtors. However, the management will continue to review the debtors aging regularly and monitor its debts collection closely.

15.12 Consents

- (i) The written consents of the Adviser, Sponsor, Managing Underwriter, Underwriters, Placement Agent, Auditors, Solicitors, Principal Bankers, Share Registrar, Company Secretary and Issuing House to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consent of the Reporting Accountants to the inclusion in this Prospectus of its name, Accountants' Report and letters relating to the proforma consolidated balance sheets as at 30 June 2003 in the manner and form in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

15. STATUTORY AND GENERAL INFORMATION (Cont'd)

15.13 Documents Available for Inspection

Copies of the following documents may be inspected at the registered office of DVM during office hours for a period of twelve (12) months from the date of this Prospectus:-

- (i) Memorandum and Articles of Association of DVM;
- (ii) The audited financial statements of DVM for the financial period ended 30 June 2003;
- (iii) The audited financial statements of ETC and Adtel for the five (5) financial years ended 30 September 1998 to 2002 and the nine (9) months financial period ended 30 June 2003;
- (iv) The audited financial statements of NGC for the financial period ended 30 June 2003;
- (v) The Reporting Accountants' letters relating to the proforma consolidated balance sheets as at 30 June 2003 as included in Section 12.5 of this Prospectus;
- (vi) The Accountants' Report and Directors' Report as included in Sections 13 and 14 respectively of this Prospectus;
- (vii) The material contracts and material agreements referred to in Sections 15.6 and 15.7 respectively of this Prospectus; and
- (viii) The letters of consent referred to in Section 15.12 of this Prospectus.

15.14 Responsibility Statement

- (i) PMBB acknowledges that based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts about the Public Issue and the DVM Group.
- (ii) This Prospectus has been seen and approved by the Directors and Promoters of DVM and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.