3. INTRODUCTION AND PARTICULARS OF THE PUBLIC ISSUE

This Prospectus is dated **10 December 2003.**

A copy of this Prospectus has been registered with the SC and lodged with the ROC, and neither the SC nor the ROC takes any responsibility for its contents.

Approval has been obtained from the SC for the listing of DVM on 21 July 2003. Approval has also been obtained from the KLSE on 22 July 2003 for the listing of DVM and for admission to the Official List of the MESDAQ and for permission to deal in and quotation for the enlarged issued and paid-up ordinary shares of DVM including the Public Issue, which is the subject of this Prospectus. These Shares will be admitted to the Official List of the MESDAQ and official quotation will commence upon receipt of confirmation from MCD that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

The approvals of the SC and the KLSE shall not be taken to indicate that the SC and the KLSE recommend the Public Issue and that investors should rely on their own evaluation to assess the merits and risks of the Public Issue.

Under the MESDAQ's trading rules, effective from the date of listing, trading in all MESDAQ listed securities can only be executed through an ADA who is also a Member of the KLSE.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, the KLSE has prescribed the DVM Shares as a prescribed security. In consequence thereof, the Issue Shares offered through this Prospectus will be deposited directly with MCD and any dealings in these Shares will be carried out in accordance with the aforesaid Act and the Rules of MCD.

All applicants must have a CDS Account and an applicant should state his CDS Account number in the space provided in the Application Form.

The SC and KLSE assume no responsibility for the correctness of any statements made or opinions or report expressed in this Prospectus. Listing of the DVM Shares and admission to the Official List of the MESDAQ is not to be taken as an indication of the merits of the Company and its subsidiaries or the Shares.

Pursuant to the MMLR, the Company needs to have at least 25% but not more than 49% of the total number of shares for which listing is sought to be in the hands of the public at the point of admission to the MESDAQ. The Company is expected to achieve this at the point of admission to the MESDAQ. However, in the event that the above requirement is not met pursuant to this Public Issue, the Company may not be allowed to proceed with its listing plan. In the event thereof, monies paid in respect of all applications will be returned without interest.

No person is authorised to give any information or to make any representation not contained herein in connection with the Public Issue and if given or made, such information or representation must not be relied upon as having been authorised by DVM and/or PMBB. Neither the delivery of this Prospectus nor any Public Issue made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of DVM or the Group since the date hereof. The distribution of this Prospectus and the issuance of the Issue Shares in certain other jurisdictions outside Malaysia may be restricted by law. Persons into whose possession this Prospectus does not constitute and may not be used for the purpose of an invitation to subscribe for or purchase the DVM Shares in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Acceptance of applications will be conditional upon permission being granted to deal in, the listing of and quotation for all the Issue Shares. Monies paid in respect of any application accepted will be returned if the said permission is not granted.

If you are in doubt of any information contained in this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers.

3. INTRODUCTION AND PARTICULARS OF THE PUBLIC ISSUE *(Cont'd)*

3.1 Purposes of the Public Issue

The purposes of the Public Issue are as follows:

(i) To meet the 25% public shareholding spread pursuant to the MMLR;

(ii) To provide the DVM Group with access to the capital markets to raise funds for future expansion and growth;

(iii) To provide an opportunity for Malaysian investors and institutions, business associates, eligible employees of the DVM Group and the public to participate in the continuing growth of the Group;

(iv) To enhance the stature of the DVM Group in the marketing of its products and to maintain its existing employees and attract new skilled personnel; and

(v) To facilitate the listing of and quotation for DVM's entire enlarged issued and paid-up share capital of DVM on the MESDAQ.

3.2 Opening and Closing of Application

The Application will open at 10.00 a.m. on Wednesday, 10 December 2003 and will remain open until 5.00 p.m. on Wednesday, 17 December 2003 or for such further period or periods as the Directors of DVM together with the Managing Underwriter in their absolute discretion may mutually decide.

Indicative timetable

The indicative timing of events leading up to the Listing is set out below:-

Event	Date
Opening Date of Application for the Issue Shares	10 December 2003*
Closing Date of Application for the Issue Shares	17 December 2003*
	Tentative Date
Balloting of Applications for the Issue Shares	22 December 2003
Allotment of the Issue Shares to successful applicants	29 December 2003
Listing	2 January 2004

Note: -

* *Applications for the Issue Shares will be accepted from 10.00 a.m. on 10 December 2003 to 5.00 p.m. on 17 December 2003 or for such other period or periods as the Directors of DVM together with the Managing Underwriter in their absolute discretion may mutually decide.*

In the event of any changes to the closing date of the application, such date would be published in a widely circulated daily English and Bahasa Malaysia newspaper within Malaysia. Should the closing date of the application be extended, the dates for the allotment and listing of DVM's entire issued and paid-up share capital on the MESDAQ Market of KLSE would be extended accordingly.

3. INTRODUCTION AND PARTICULARS OF THE PUBLIC ISSUE *(Cont'd)*

3.3 Share Capital

	RM
Authorised	
250,000,000 ordinary shares of RM0.10 each	25,000,000
Issued and fully paid-up as at the date of this Prospectus	
Existing 120,000,000 ordinary shares of RM0.10 each	12,000,000
To be issued and credited as fully paid-up pursuant to the Public Issue	
40,000,000 ordinary shares of RM0.10 each	4,000,000
Enlarged issued and paid-up share capital of 160,000,000 ordinary shares of RM0.10 each	16,000,000
Public Issue price per Share	0.40

The Public Issue price of RM0.40 per Share is payable in full on application.

There is only one class of Shares in DVM, being ordinary shares of RM0.10 each, all of which rank pari passu with one another. The Issue Shares will rank pari passu in all respects with the other existing issued and paid-up ordinary shares of RM0.10 each in DVM including voting rights, dividends and distributions that may be declared subsequent to the date of this Prospectus.

Subject to any special rights attaching to any shares that may be issued by the Company in the future, the shareholders of the Company shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends, distributions and the whole of any surplus in the event of liquidation of the Company in accordance with its Articles of Association.

At every general meeting of DVM, each shareholder shall be entitled to vote in person or by proxy or by attorney, and on a show of hands, every person present who is a shareholder or representative or proxy or attorney to a shareholder shall have one vote and on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held. A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy without limitation. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the CCM.

3.4 Details of the Public Issue

The Public Issue of 40,000,000 Shares at an issue price of RM0.40 per DVM Share is subject to the terms and conditions of this Prospectus and upon acceptance, the Issue Shares will be allocated in the following manner:

(i) Malaysian Public

4,000,000 of the Issue Shares will be available for application by the Malaysian Public;

(ii) Private Placement

28,000,000 of the Issue Shares will be available for placement to selected investors; and

(iii) Employees of the DVM Group

8,000,000 of the Issue Shares have been reserved for the employees of the Group.

(a) Criteria of Allocation

The allocation criteria for the Issue Shares reserved for the employees have taken into consideration, amongst others, the seniority level, category of employees, years of experience with the DVM Group and other factors.

(b) Number of Persons Eligible

The details of the respective categories of persons eligible to subscribe for the Issue Shares are as follows:

Category	No. of employees	No. of Issue Shares
Directors	9	-
Technical Staff	32	2,845,000
Sales & Marketing	9	4,875,000
Finance & Administrative	7	280,000
Total	**57**	**8,000,000**

(c) Number of Securities Issued to Each Director

There are no Issue Shares to be issued to the Directors.

All the Issue Shares pursuant to (i) and (iii) above have been fully underwritten by the panel of underwriters listed in Section 1 herein. In the event of an under-subscription by the employees of the DVM Group to the Public Issue, all the DVM Shares not subscribed shall first be made available to the Malaysian Public referred to in (i) above. Following thereto, if there are any under-subscription by the Malaysian Public pursuant to the Public Issue, all the Issue Shares not applied for shall be made available for subscription by the placees referred to in paragraph (ii) above. Thereafter, any Issue Shares not subscribed for as set out in (i) and (iii) above, will be made available for subscription by the Underwriters in proportions specified in the Underwriting Agreement dated 14 November 2003. There is no minimum subscription rate for the Public Issue as it is fully underwritten.

The basis of allocation to be determined shall take into account the desirability of distributing the Public Issue to a reasonable number of applicants with a view of broadening the shareholding base of the Company to meet the public spread requirements and to establish a liquid and an adequate market in the Shares. To ensure compliance with the MMLR, the final allocation to any single applicant shall not breach 5% or more of the enlarged share capital of the Company upon Listing, regardless of the amount of Shares applied for. Applicants will be selected in a manner to be determined by the Directors of DVM.

3.5 Pricing of the Issue Shares

The issue price of RM0.40 per Issue Share was determined and agreed upon by the Company and PMBB as Adviser and Managing Underwriter based on various factors, including but not limited to the following:

(i) The Group's qualitative and quantitative factors as set out in Sections 5 and 12 of this Prospectus;

(ii) The industry in which the Group operates in, and the future plans, strategies and prospects of the Group as described in Sections 7 and 8 respectively of this Prospectus; and

(iii) The Group's proforma NTA per Share as at 30 June 2003 as set out in Section 12.5 of this Prospectus.

However, investors should also note that the market price of the DVM Shares upon Listing are subject to the vagaries of market forces and other uncertainties, which may affect the price of the DVM's Shares being traded. Investors should form their own views on the valuation of the Issue Shares before deciding to invest in the Issue Shares.

3.6 Proposed Utilisation of Proceeds

The estimated gross cash proceeds arising from the Rights Issue of RM4,650,428 and Public Issue of RM16,000,000 amounting to a total of RM20,650,428 will be utilised in the following manner:

Details of proposed utilisation of proceeds	Note	Rights Issue RM'000	Public Issue RM'000	Total RM'000	Expected timeframe for proposed utilisation
Branding and promotion	(i)	-	1,000	1,000	Within 2 years from the date of listing of the DVM Shares
R&D	(ii)	2,000	5,500	7,500	Within 3 years from the date of listing of the DVM Shares
Repayment of bank borrowings	(iii)	-	2,500	2,500	Within 6 months from the date of listing of the DVM Shares
Project financing	(iv)	2,000	4,000	6,000	Within 2 years from the date of listing of the DVM Shares
Working capital	(v)	650	1,600	2,250	Within 2 years from the date of listing of the DVM Shares
Estimated listing expenses	(vi)	-	1,400	1,400	Within 6 months from the date of listing of the DVM Shares
Total		4,650	16,000	20,650	

Notes:

Further details on the proposed utilisation of the listing proceeds are as follows:

(i) Branding and Promotion

DVM intends to utilise RM1,000,000 of the proceeds for branding and generating greater awareness of the Group's products and services. Road shows and seminars will be organized over 24 months to update and educate its customers and potential customers on the technologies that the Group can offer, especially in the area of the next generation network whereby NGC is developing next generation communication software applications on the VoIP network infrastructure that allows service providers to offer value-added services.

Genico™ will empower the VoIP service providers to create and sell value added services through the next generation network. With the development of NGC products, VoIP service providers are able to offer a range of complementary services to the end customers. The DVM Group will design and develop software applications and tools that enables the integration of next generation equipment from various vendors. In this respect, more resources in terms of funds and staff can be deployed to build brand awareness and loyalty. DVM believes that it will be able to deliver better services to its customers and compete more effectively against existing established competitors from the utilization of proceeds for this purpose.

(ii) R&D

The utilisation of R&D from the proceeds of RM7,500,000 is expected to be over the 36-months period from the date of Listing, which includes hiring of an additional 29 full-time knowledge workers. A breakdown of expenditure is as follows:-

Items	**RM'000**
Salaries/Employee benefits	1,750
Set-up costs	750
Purchase of equipment for R&D	
- Hardware products	2,000
- Software products	3,000
Total	7,500

The R&D expenses associated with the development of products are as follows:

(a) Hardware products:
- Design tools
- Computer servers
- Personal computers
- Workstations hardware and accessories
- Network equipment

(b) Software products:
- Design tools
- Software for hardware development

For every new R&D project, a set up cost is required, as most of the new equipment and tools are required to be purchased. In addition, further training costs may need to be incurred to enhance and upgrade the technical skills of the R&D personnel.

R&D activities will focus on development of more new products to stay on top of the technology curve. One of the products earmarked for the R&D activities is the Next Generation Communication Software Applications developed by NGC.

(iii) Repayment of Bank Borrowings

As at 30 June 2003, the Group has bank borrowings which amounted to RM2,054,708. The Group has utilised additional overdraft and trade facilities in the financial year ended 30 September 2003 to finance working capital requirements. Hence, it has been proposed that DVM will utilise RM2,500,000 of the proceeds to repay part of these facilities.

Based on the current average interest rate applicable to the DVM Group's borrowings of approximately 7.9% per annum, the repayment is expected to contribute interest savings of approximately RM197,500 to the Group for the financial year ending 30 September 2004, assuming the proceeds are utilized in January 2004.

(iv) Project Financing

The Company proposes to utilise approximately RM6,000,000 of the proceeds from the Rights Issue and Public Issue to finance the existing and new systems and network integration projects, including utilising part of the proceeds as performance bonds for the purpose of tendering for specialized systems and network integration contracts.

(v) Working Capital

An amount of RM2,250,428 of the proceeds will be utilized for the Group's working capital purposes to support its existing business operations which includes financing its operating expenses.

(vi) Listing Expenses

Estimated listing expenses are set out in Section 3.7(iii) below.

Any difference arising from the proposed utilisation will be adjusted accordingly in the other working capital requirements which include general operational expenses.

The proforma impact of the utilisation of proceeds on the consolidated balance sheets of DVM as at 30 June 2003 is reflected in Section 12.5 of this Prospectus.

It is intended that the abovementioned proceeds of RM20,650,428 will be fully utilised within 3 years from the date of Listing. In the event the proceeds are not fully utilised, the balance will be used for working capital purposes.

3.7 Underwriting Commission, Brokerage and Listing Expenses

The Managing Underwriter and Underwriters for the Public Issue are set out in Section 1 of this Prospectus.

(i) Underwriting Commission

A conditional underwriting agreement was entered into between the Company, PMBB, Kuala Lumpur City Securities Sdn Bhd, Malaysian International Merchant Bankers Berhad and Mayban Securities Sendirian Berhad on 14 November 2003 ("Underwriting Agreement") to underwrite 12,000,000 Issue Shares which are available for application by the Malaysian Public and the employees of the DVM Group.

The underwriting commission is payable by the Company at the rate of 1.75% of the issue price of RM0.40 for each of the Issue Share underwritten.

An extract of some of the salient terms of the Underwriting Agreement is set out as follows:

3. __INDEMNITIES BY COMPANY__

3.1 The agreement of the Managing Underwriter and the Underwriters to underwrite the Underwritten Shares is entered into on the basis of the aforesaid representations, warranties and agreements. Without prejudice to the other rights and remedies of the Managing Underwriter and the Underwriters, the Company undertakes with the Managing Underwriter and the Underwriters and each of them that they will hold the Managing Underwriter and the Underwriters and each of them fully and effectually indemnified from and against any and all losses, liabilities, costs, claims, charges, actions, proceedings, damages, expenses and demands which the Managing Underwriter and the Underwriters may incur or which may be made against them as a result of or arising out of or in relation to any misrepresentation or alleged misrepresentation by the Company or any breach or alleged breach of any of the aforesaid representations, warranties or agreements and such indemnity shall extend to include all costs, charges and expenses which the Managing Underwriter and the Underwriters or any of them may reasonably pay or incur in disputing or defending any claim or action or other proceedings in respect of which indemnity may be sought against the Company under this Clause.

3.2 The rights and remedies conferred upon the Managing Underwriter and the Underwriters by the aforesaid representations, warranties, agreements and indemnities shall continue in full force and effect from the date on which the shares of the Company are listed on the MESDAQ Market of the KLSE notwithstanding the completion of the Public Issue and notwithstanding any investigations by or on behalf of the Managing Underwriter and the Underwriters.

9. __TERMINATING CLAUSE__

9.1 Subject to prior consultation, the Managing Underwriter and any of the Underwriters shall be entitled to terminate this Agreement which is not capable of remedy or if capable of remedy is not remedied within thirty (30) Business Days from the date the Company is notified by the Underwriters of such breach by notice in writing delivered to the Company prior to the Closing Date if the success of the Public Issue is in the opinion of the giving the aforesaid notice, seriously jeopardised by:

9.1.1 reason of Force Majeure; or

9.1.2 any material breach by the Company of any of their warranties, obligations or undertakings under this Agreement.

"Force Majeure" includes causes, which are unpredictable and beyond the reasonable control of the party claiming force majeure which could not have been avoided or prevented by reasonable foresight planning, and implementation including without limitation:-

(a) *war, armed conflict or serious threat of the same, hostilities, sabotage, mobilization blockade, embargo, detention, revolution, riot, looting, lockout, strike or other labour disputes;*

(b) *any unavailability of transportation or severe economic dislocation; and*

(c) *flood, fire, storm, earthquake, typhoon, tidal wave, plague or other epidemic, lightning, tempest, accident, or any other acts of God.*

9.2 *Notwithstanding anything herein contained, the Managing Underwriter and the Underwriters or any of them acting through the Managing Underwriter may at any time before the Closing Date by notice in writing to the Company terminate its obligations under this Agreement if in the reasonable opinion of the majority Underwriters (as hereinafter defined):-*

(a) *there shall have been such a change in the national or international monetary, financial, political or economic conditions or exchange control or currency exchange rates or the coming into force of any law or governmental regulations or directives as would in its reasonable opinion prejudice materially the success of the offering of the Underwritten Shares and their distribution or sale (whether in the primary market or in respect of dealings in the secondary market) or where the composite index of the KLSE falls to or below 600 points; or*

(b) *the conditions precedent in Clause 2A are not fulfilled by the Closing Date; or*

(c) *if the Company is not listed on the MESDAQ Market of KLSE within 180 days from the date of this Agreement*

and thereafter the Managing Underwriter and Underwriters concerned shall (except for the liability of the Company in the payment of costs and expenses referred to in Clause 5 and Clause 12 hereof incurred prior to or in connection with such termination) be released and discharged from their respective obligations hereunder. For the purpose of this clause, the expression "Majority Underwriters" means the Managing Underwriter and/or one (1) or more Underwriters whose commitment or participation to underwrite the underwritten Shares is in aggregate of Fifty percent (50%) or more of the total number of Underwritten Shares.

9.3 For the avoidance of doubt and notwithstanding any of the provisions herein, if prior to the listing of the shares of the Company on the MESDAQ Market of KLSE ("Listing Date"), there shall come to the notice of the Managing Underwriter and the Underwriters a breach of any of the warranties or representations or undertakings contained herein or failure on the part of the Company to perform any of its obligations herein contained or any change rendering any of the said representations warranties or undertakings inaccurate in any material respect which is in the sole and absolute opinion of the Managing Underwriter and the Underwriters (after prior consultation with the Company in such manner as the Managing Underwriter or Underwriters shall reasonably determine) material in the context of the issuance of the Issue Shares, the Managing Underwriter and the Underwriters shall be entitled to terminate this Agreement by notice in writing to the Company at any time prior to the Listing Date.

9.4 If this Agreement is terminated in accordance with the provisions hereof, the obligations of the Managing Underwriter and the Underwriters under this Agreement shall be discharged accordingly. In the event of such termination as aforesaid, the Company shall reimburse to the underwriters all expenses within seven (7) Business Days from the date of notification of termination to the Company which the Managing Underwriter and Underwriters may have incurred in connection with this Agreement and the underwriting of the Underwritten Shares.

9.5 On delivery of such a notice this Agreement shall become void and each party's rights and obligations hereunder shall cease and none of the parties hereto (except for the liability of the Company in respect of payments of costs and expenses referred to in Clause 12 hereof incurred prior to or in connection with such termination) shall have any claim against each other. Thereafter the Managing Underwriter and the Underwriters and the Company shall confer with a view to deferring the Public Issue or amending their terms and/or entering into a new Underwriting Agreement PROVIDED THAT neither the Company nor the Managing Underwriter and the Underwriters shall be under any obligation to enter into such a new agreement.

10. <u>WITHDRAWAL OR NON-PROCUREMENT OF APPROVAL FOR LISTING BY THE KLSE</u>

The Underwriters shall have the right to terminate this Agreement by notice in writing served by the Managing Underwriter on behalf of the Underwriters in the event that the Company is not granted permission by the KLSE for listing of and quotation for all the issued ordinary shares of the Company and upon such termination the liabilities hereto of the Company and the Underwriters shall become null and void and none of the parties shall have a claim against each other save that each party shall return any moneys paid to the other or others under this Agreement within seven (7) Business Days of the receipt of such notice.

(ii) **Brokerage**

Brokerage relating to the Issue Shares will be borne by the Company at the rate of 1.0% of the issue price of RM0.40 per Share in respect of successful applications bearing the stamp of either PMBB, members companies of KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIDFCCS. No brokerage is payable on the 28,000,000 Issue Shares to be placed out to selected investors.

(iii) **Listing Expenses**

Listing expenses are estimated at approximately RM1,400,000 for the following:-

	RM'000
Professional fees	540
Printing of Prospectus and advertising fees	120
Issuing House	60
Underwriting and placement commission and brokerage fees	188
Sponsorship fee	30
MESDAQ's perusal fee and initial listing fee	30
Miscellaneous	432
Total	1,400

4. RISKS FACTORS

Notwithstanding the prospects of the Group as outlined in this Prospectus, applicants for the Issue Shares should carefully consider the following factors (which may not be exhaustive) that may have a material impact on the future performance of the Group in addition to other information contained elsewhere herein, before applying for the Issue Shares.

4.1 Marketability of the DVM Shares and Possible Volatility of Share Price

Prior to the Public Issue, there has been no public market for Shares in DVM. There can be no assurance that an active market for Shares in DVM will develop upon its listing on the MESDAQ or, if developed, that such market will be sustained. There can also be no assurance that the issue price will correspond to the price at which the DVM Shares will be traded on the MESDAQ upon or subsequent to its listing or that an active market for DVM Shares will develop and continue upon or subsequent to its Listing.

The issue price of RM0.40 per Issue Share was entirely determined and agreed upon by DVM and PMBB, as Adviser and Managing Underwriter, after taking into consideration a number of factors, including but not limited to, the Group's qualitative and quantitative factors as set out in Sections 5 and 12 of this Prospectus, the industry in which the Group operates in, and the future plans, strategies and prospects of the Group as described in Sections 7 and 8 of this Prospectus and the Group's proforma NTA per Share as at 30 June 2003 as set out in Section 12.5 of this Prospectus. Moreover, the price at which the DVM Shares will be traded on the MESDAQ will be dependent upon market forces beyond the control of the Company.

In addition, in recent years the stock market in general, and the market for the shares of technology companies in particular, has experienced extreme price fluctuation which have sometimes been unrelated to the operating performance of such companies. Such fluctuation may adversely affect the market price of the DVM Shares.

4.2 Control by Substantial Shareholders

Following the Public Issue, the Company will be controlled by four substantial shareholders, namely Dato' Goh Kian Seng, Chen Chee Peng, Datamat and Media Edge, who will collectively control 75% of the Company's enlarged issued and paid-up share capital. As a result, it is likely that the said shareholders will be able to effectively control the outcome of certain matters requiring the vote of DVM shareholders including the constitution of the Board of Directors and thus the direction and future operations of the Group, decisions regarding acquisitions and other business opportunities, the declaration of dividends and the issuance of additional shares and other securities, unless they are required to abstain from voting by law and/or the relevant authorities.

4.3 Business Risks

The Group's operations are subject to certain risks inherent in the ICT industry in which it operates. The risks include the general economic condition, constraints in labour supply, the possible increase in the operating and capital costs due to changes in economic and business conditions, increase in the prices of the imported and local components, unfavourable changes in Government and international policies, the introduction of new and more superior technology or products and services by other players in the market.

In addition, there is also no assurance that the DVM Group will be profitable in the future, or it will achieve increasing or consistent levels of profitability. The Group's revenue and operating results are difficult to forecast and could be adversely affected by many factors. These include, inter-alia, length of sales cycle of between six (6) to eighteen (18) months, debtors' collection problems, client order deferrals and changes in the Group's operating expenses and other business risks common to going concerns.

Although the Group seeks to limit these risks through, inter-alia, increasing the efficiency of operations, diversifying the pool of suppliers/technology partners, expanding the business through increasing its range of customers, partners, products and services for both the local and overseas markets, and improving its technological competence in R&D and advanced technologies, adopts a prudent cash flow management which includes regular monitoring of debtors' position, capital expenditure and borrowings, no assurance can be given that any changes to these factors will not have a material adverse effect on the Group's business.

4.4 Protection of Group and Third Party Proprietary Technology/Intellectual Property Rights

Due to the nature of the Group's business, the protection of its intellectual property is critical to the DVM Group's continued success. Presently, the DVM Group has made 3 applications to the Trade Mark Registry for the registration of trade marks owned by the DVM Group, namely e-Petra^{TM}, NE-Proviso^{TM} and Genico^{TM}. It is the policy of the DVM Group to take continued steps to protect the intellectual property rights including its source codes. All the source codes for the software applications are not provided to the clients. Internally, the development of the software applications are segmented and written by a few programmers. The Chief Technology Officer ("CTO") combines these segments to form the whole software. With the exception of the CTO, any one programmer will not know the source codes for any one entire software application. In addition, DVM has also executed confidentiality agreements with its employees and issued other contractual licences to its customers, clients and strategic partners, to secure the protection for its existing as well as new business solutions.

Notwithstanding the above protective and contingency measures undertaken, there is no assurance that DVM will be able to protect its proprietary rights against unauthorised third party copying or use of its software or misappropriation of proprietary information by its employees or clients. Defending against intellectual property infringement claims could be expensive and disruptive to DVM Group's business. The inability to protect its intellectual property adequately may damage the Group's reputation and its competitive position may be harmed.

4.5 Competition

The market in which the Group operates is competitive and characterized by rapid technological innovation. The Group has experienced and expects to continue to experience intense competition from current and future competitors. The DVM Group believes that its ability to compete depend on many factors both within and outside its control. Amongst these include:

(i) timing and market acceptance of new technologies in its services or products;

(ii) enhancement developed by the Group and its competitors;

(iii) products and services functionality, performance, price, reliability, customer service and support;

(iv) ability to obtain partnership/joint venture with the existing service providers;

(v) sales and marketing efforts; and

(vi) products and service distribution channels.

The Group's competitors vary in size and in scope and breadth of the services and products offered. The Group encounters competition from a number of sources, all competing to be the most efficient and effective solutions provider. Although the Group strives to remain competitive in providing its services and products, no assurance can be given that it will be able to maintain its existing market share in Malaysia.

The Group focuses on technology that is highly reliable and able to handle high capacities and also invests in product innovation to ensure its competitiveness in capturing market share and garnering market acceptance. The solutions and systems that the Group supplies are also customised, thus providing a degree of differentiation, which helps to secure further businesses from the customers. However, there can be no assurance that the Group will be able to maintain its competitiveness against current and future competitors or that the competitive pressures will not materially and adversely affect the Group's business, operating results and financial condition.

4.6 Changes in Technology and Products/Services

The markets for the Group's services and products are characterised by the rapid technological developments, evolving industry standards, swift changes in customer requirements, computer operating environments and software applications as well as frequent new product introductions and enhancements. The Group's success depends substantially upon its ability to address the increasingly sophisticated needs of the industry.

The timely development of new and enhanced services or products is a complex and uncertain process. Although the Group believes that it will have sufficient knowledge and skills to implement its business plan, there can be no assurance that the Group will continue to have sufficient resources to successfully and accurately anticipate the technological and market trends, or even to successfully manage long development cycles. The Group may also experience design, marketing and other difficulties that could delay or prevent the development, introduction and marketing of its new or enhanced service or products. The Group may also collaborate or form working partnerships with third parties to develop and enhance its services and products to meet the industry trend.

Failure to develop new or enhancement in their existing services or products on a timely and cost-effective manner as well as failure to obtain market acceptance would adversely affect the Group's position in this highly competitive environment. In recognition of this, the Group will constantly endeavour to develop new or enhance applications or softwares using the latest appropriate technology to deliver a leading edge service/product in the market.

4.7 Technological Obsolescence

Currently, NGC deploys the Next Generation Communication software applications. The management of the Group is of the opinion that NGC is amongst the pioneers in the development of the Next Generation Communication software applications, which has provided the Group a competitive edge against its competitors.

However, the Group faces threats from new technologies being developed or to be developed in the future. As the ICT industry is of a fast paced league, the effects of emerging future technological changes on the viability or competitiveness of the Group's business and network cannot be accurately predicted.

Hence, the Group needs to keep abreast with the latest technologies in order to compete successfully with its competitors. The Group will be subjected to the risks, uncertainties and problems frequently encountered by companies in this industry which include, amongst others, the following:

- failure to keep abreast with changing technological standards and requirements;
- failure to anticipate and adapt to developing market trends and requirements;
- failure to develop commercial viable products and services whether by the Group itself or together with other third parties with sufficient speed to the market; and
- inability to maintain, upgrade and develop its systems, solutions and infrastructure to cater for rapid technological changes.

4. RISKS FACTORS *(Cont'd)*

Recognising the above factors, the Group's R&D team strives to constantly keep abreast with technology and market trends. The marketing team works closely with the R&D team to provide feedback on market trends and customer requirements. However, there can be no assurance that technologies employed by the Group will not become obsolete or subject to competition from new technologies in the future.

4.8 Dependence on Key Personnel

The Group believes that its continued success will depend, to a significant extent, upon the abilities and continued efforts of its existing Executive Directors and key management and key technical personnel, whenever possible including entering into service contracts with directors, key management and key technical personnel. The loss of any of the Group's Executive Directors or key members of the Group's senior management could adversely affect the Group's continued ability to compete. However, the Group's Executive Directors and senior management are actively managing the day-to-day management and operations of the Group Furthermore, every effort is made by the Group to groom younger members of the management team to take over from the senior management to ensure a smooth transition. They will be provided with the necessary experience and exposure in the management team should changes occur in order to maintain the Group's continued ability to compete effectively in the ICT industry.

It is the Group's practice to retain the services of the Executive Directors and senior management whenever possible, including entering into service contracts with the key management and key technical personnel, and to also attract and retain experienced personnel by providing a conducive working environment with emphasis on positive work cultures.

4.9 Political, Economic and Regulatory Considerations

Like all other business entities, adverse developments in political, economic and regulatory conditions in Malaysia and South East Asian region could unfavourably affect the financial position and business prospects of the Group. Other political uncertainties that could unfavourably affect the Group include changes in political leadership, expropriation, nationalisation, re-negotiation or nullification of existing sales orders and contracts, changes in interest rates and methods of taxation and currency exchange rules and contracts.

Whilst the Group strives to continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurance that adverse political, economic and regulatory factors will not materially affect the Group.

4.10 Regulatory Risks

Presently, save for general company and contract laws, the business activities of the DVM Group in Malaysia is not subject to any specific legislations or regulations. However, there can be no assurance that future legislative or regulatory policy changes will not affect the operations of the Group. In addition, as the Group intends to expand regionally, any unfavourable change in Malaysian or other countries' government policies may affect the Group's performance.

4.11 Change in MSC Status

NGC was accorded with MSC status on 20 November 2002 and has since complied with all the conditions of the MSC status. Presently, MSC status companies are granted with the following financial and non-financial incentives.

Financial Incentives include-

- a 5-year exemption from Malaysian income tax (only on income derived from MSC related activities) commencing from the date when the company starts generating income, renewable to 10 years, the renewal of which, will depend on the Group's performance in transferring technology or knowledge to Malaysia, or a 100% investment tax allowance on new investments made in MSC cybercities, commencing from the date on which the first qualifying capital expenditure is incurred;

- duty-free importation of multimedia equipment, provided that the equipment is used by the company in the operation of its business, and not for direct sale and trading or use as components in manufactured items; and

- R&D grants for MSC small and medium enterprises that are at least 51% Malaysian owned.

Non-financial incentives include:-

- unrestricted employment of foreign knowledge workers;

- freedom of ownership; and

- freedom to source capital for MSC infrastructure globally, and the right to borrow funds globally. MSC status companies will be given exemptions by the Controller of Foreign Exchange from exchange control requirements which will allow them to execute transactions in any currency in Malaysia or elsewhere, borrow any amount from financial institutions, associate companies or non-residents, hedge foreign exchange exposure, remit funds globally and open foreign currency accounts in Malaysia or abroad with no limits on balances.

Multimedia Development Corporation Sdn Bhd ("MDC") is the body responsible for monitoring all MSC designated companies. MDC has the right to withdraw any company's MSC status at any time. Although DVM believes that NGC has and will continue to be able to fulfil the conditions for MSC status and to ensure that it remains in the same line of business, there can be no assurance that NGC will continue to enjoy or not experience delays in enjoying the MSC incentives outlined above, all of which could materially and adversely affect the Group's business, operating results and financial condition.

4.12 Foreign Exchange Risk

The DVM Group's current sales revenue are mainly denominated in RM. As the Group intends to venture into foreign markets, the Group may be exposed to foreign exchange risk. Notwithstanding that DVM will seek to mitigate such adverse risks, there can be no assurance that any significant fluctuations in exchange rates or any financial crisis will not impact on the revenue and earnings of the DVM Group.

4.13 Insurance Risks

The Group is aware of the adverse consequences arising from inadequate insurance coverage that could cripple its business operations. In ensuring such risks are maintained to the minimum, the Group regularly reviews and ensures insurance coverage is adequate for its assets, particularly for unforeseen events such as fire and lightning, storm, riot, strikes and malicious damage. Although the Group has taken the necessary measures to ensure that its assets are adequately covered by insurance, there can be no assurance that the insurance coverage would be adequate for the replacement cost of all assets of the Group, including but not limited to, any consequential costs arising therefrom.

4.14 Risks Associated with Distribution Channels

The DVM Group presently sells its products and services directly through its marketing team and business partners. The continued success of the Group in expanding its market share and to penetrate into foreign markets are highly dependent upon the ability of its sales channels in addressing the needs of the evolving markets for the Group's products.

Notwithstanding that DVM is expanding its in-house sales force and business partners base to procure more businesses, there can be no assurance that larger in-house sales force will be successful in increasing the Group's turnover, in comparison with increased expenses associated with such expansion.

The Group's arrangements with its business partners are generally alliances which may be terminated by either party at any time without cause. The business partners are not within the control of the Group, and thus are not obliged to purchase products from the Group and they may also represent or refer product lines of the Group's competitors.

Notwithstanding the above, the Group will endeavour to maintain close relationships with its business partners, to be updated on market conditions, new business opportunities and new competition in the market.

4.15 Security Risks and System Disruption

The DVM Group operates in a high technology environment where its operations may be susceptible to various security related risks in the form of computer viruses, hacking and fraud. To mitigate its exposure to such risks, the DVM Group has set up firewalls, virus inspection, server intrusion prevention and detection appliances, therefore minimising the risk of potential security breaches. As at the date of this Prospectus, the DVM Group has not experienced any disruption to its operating systems arising from security breaches. However, there can be no assurance that the existing security measures are adequate to counter any potential future security breaches that may materially affect the operations and the performance of the DVM Group.

4.16 Industry Risks

The Group's products and services are mainly for the ICT industry. Any significant economic downturn and or mergers and acquisitions in this industry, may result in lower expenditure, or cancellation and postponement of its products and/or projects. In this respect, the Group's business, financial condition and results of operations may be adversely affected by these events.

Where appropriate, the Group may consider diversifying its existing products and services to other business sectors such that its exposure of industry risk in the ICT industry may be reduced to a certain extent.

4.17 Reliance on Major Customers

The DVM Group's current clients consist of enterprises to established companies in the ICT industry in Malaysia and the South East Asia region. These relationships are of less than five (5) years each with the Group. There can be no assurance that these relationships will continue indefinitely. The contracts with its major customers are usually one-off in nature but the service providers would normally enter into maintenance and support agreements on a yearly renewal basis. Due to the rapid technological changes inherent in the ICT industry, it is an industry norm that the customers do not enter into long-term contracts with the solution providers. However, the DVM Group has secured contracts or services in the past from recurrent customers.

In addition, the management of DVM is continuously seeking opportunities to secure new customers in the ICT and financial sectors. The Group is also looking at the opportunities to expand its clientele base to Thailand whereby it is able to tap on Datamat's clients there.

However, as the industry is ever-improving, reliance on major customers would not be a key to continued success; rather the ability of the DVM Group to introduce new or enhancement of the existing services/products would be a main objective for sustainability in the ICT industry.

In connection thereto, the DVM Group will be focusing in R&D development on telecommunication and next generation network solutions to offer more innovative, integrated applications, services and technologies to its customers. The Group will also strive to provide world class customer service and after sales services to its customers. As at todate, the Group has been successful in maintaining its existing clientele base whilst constantly sourcing for new customers.

Nevertheless, the failure of the Group to maintain its existing relationships, or to establish new relationships in the future for any reason, may have a material adverse effect on the Group's business, operating results and financial condition.

4.18 Future Growth

The Group's potential expansion may significantly strain the Group's management, financial, customer support, operational and other resources. In order to achieve the Group's growth targets as set out in the summary of the 5-Year Business Plan in Section 9 of this Prospectus, the management of DVM would need to adopt an aggressive sales and business development plan. However, there can be no assurance that the management of DVM would be successful in implementing the plan or that the plan would not give rise to other problems.

The Group's proposed future plan will be dependent upon, among other things, the Group's ability to enter into strategic marketing or other arrangements on a timely basis and on favourable terms, hire and retain skilled management, financial, technical and marketing personnel, successfully manage growth including monitoring operations and controlling costs, among other things and obtain adequate financing when needed. There can, however, be no assurance that the Group will be able to successfully implement its business plan or that unanticipated expenses, problems or technical difficulties will not occur, which would result in material delay in the implementation or deviation from the original plans.

4.19 Future Capital Injections

It is the management's opinion that the net proceeds of the Rights Issue and Public Issue, together with the cash flow from operations and other existing sources of liquidity will be sufficient to meet the Group's projected working capital and other cash requirements. However, the Group, subsequent to this Public Issue, may need to raise substantial additional capital to fund the ongoing development and expansion of its business, including its marketing and sales efforts and attain profitability, the amount of which cannot be quantified at this juncture. There is no assurance that any additional funds needed will be available to the Group on favourable terms, or at all. Although based on assumptions that the Group considers reasonable, there is also no assurance that the Group's estimate of its anticipated liquidity needs are accurate or that new business developments or other unforeseen events will not occur, resulting in the need to raise additional funds. In addition, it is probable that raising additional funds via equity issues may result in a substantial dilution and reduction in returns, if any, to investors.

The Directors of DVM believe that, upon the listing of the Company on the MESDAQ, the Company would have the option of tapping the debt capital market or further raising equity capital, if required. As such, there would be available, further funding options upon its successful listing on the MESDAQ to meet its requirements.

4.20 Products Performance and Product Liability Risk

The Group's projects and supply agreements with its customers have provisions designed to limit the Group's exposure to potential product liability claims. However, a product liability suit or action taken against the Group, whether or not meritorious, could result in substantial costs and diversion of management's attention and the Group's resources, which may result in material adverse impact on the Group's performance. A suit alleging a defect or a breach of an express or implied warranty, if successful, may have adverse effect on the Group's reputation and result in loss of businesses. There have not been any major disruptions to the business operations and no claims from customers were made. As at todate, the DVM Group has been delivering its obligations in accordance to the contracts with its customers and worked closely with its customers to ensure that the systems implemented and/or software used met the customer requirements. As such, the risk for claims from customers is low.

The Group's R&D efforts are subject to all of the risks inherent in the development of new products/services and technology (including unanticipated delays, expenses and difficulties). There can be no assurance that the Group's products will satisfactorily perform the functions for which they are designed, that they will meet applicable price or performance objectives or that unanticipated technical or other problems will not occur which would result in increased costs or material delays in the development thereof. There can be no assurance that, despite testing by the Group and by current and potential end users, computer bugs will not be found in new products offered after the delivery by the Group, resulting in loss of or delay in market acceptance.

4.21 Potential Acquisitions and Joint Ventures/Investment Activities

The Group may from time to time engage in acquisitions of companies with complementary products and services in related areas. If appropriate opportunities present themselves, the Group intends to acquire businesses, products or technologies that the Group believes will be in the interests of its shareholders, although the Group currently has no understanding, commitment or agreement with respect to any material acquisition. Currently, there is no material acquisition being pursued. However, any future acquisitions could expose the Group to new risks, including those associated with the assimilation of new operations and personnel, the diversion of financial and management resources from existing operations, and the inability of management to integrate successfully acquired businesses, personnel and technologies.

In addition, there can be no assurance that the Group will be able to successfully identify, negotiate or finance such acquisitions, or to integrate any such acquisitions with its current business. Furthermore, there can be no assurance that the Group will be able to generate sufficient revenues from any such acquisition to offset associated acquisition costs, or that the Group will be able to maintain uniform standards of quality and service, controls, procedures and policies, which may result in the impairment of relationships with customers, employees, and new management personnel. The Group may also evaluate, on a case-by-case basis, joint venture relationships with certain complementary businesses.

DVM may undertake new investments or joint ventures which may be relatively new to the Malaysian market or have very long gestations periods, therefore resulting in the Group taking a longer time to recover its initial investments. In addition, any such joint venture investments would involve many of the same risks posed by acquisitions, particularly those risks associated with the diversion of resources, the inability to generate sufficient revenues, the management of relationships with third parties and potential additional expenses, any of which could have a material adverse effect on the Group's business, financial condition or operating results.

The acquisitions may also result in potential dilution via the issuance of equities, the incidence of debt and contingent liabilities and amortisation of expenses related to goodwill and other intangible assets.

The Group endeavours to mitigate its investment risks, by exercising due care in evaluating such ventures. However, there could be no assurance that such ventures will yield positive returns to the Group.

4.22 Litigation Risks

To date, there have not been any litigation claims that have been presented against the DVM Group by its customers, suppliers, employees or any other party. Nevertheless, there is no assurance that any future litigation matters brought against DVM may not affect the Group's future performance and operations.

4.23 Uncertainty of the Proposed 5-Year Business Plan

The success of the Group's business plan will be largely dependent upon the market of the ICT industry, as well as the Group's ability to maintain a cost-efficient structure and further develop and market its services and products. In addition, the Group's future plans and prospects will be dependent upon, among other things, the Group's ability to respond to market changes, competitively price its services and products, maintain strong international alliances, hire and retain skilled management and successfully manage operational, financial and other internal systems.

There can be no assurance that the Group will be able to successfully implement its business plan or that unanticipated change in the market forces or financial constraints will not occur which would result in material delays in its implementation or even deviation from its original plans. Moreover, there can be no assurance that the Group will have sufficient capacity to satisfy any increased demand for growth resulting from the Group's implementation of its 5-year business plan.

4.24 Failure or Delay in the Listing

The occurrence of any one or more of the following events (which may not be exhaustive) may cause a delay in or non-implementation of the Listing:

(i) the Underwriting Agreement is terminated; or

(ii) the Company is unable to meet the public spread requirement, that is, at least 25% but not more than 49% of the total number of shares for which listing is sought to be in the hands of the public at the point of its admission to the MESDAQ.

Although the Directors of DVM will endeavour to ensure compliance by DVM of the various MMLR, including, inter-alia, the public spread requirement imposed by the KLSE for the successful Listing, no assurance can be given that the abovementioned factors will not cause a delay in or non-implementation of the Listing.

4.25 Risks to Revenue Flow

The following factors can adversely affect the revenue of the DVM Group:-

(i) contracts with clients are generally short-term or on a project basis. Due to this, revenue may fluctuate significantly depending on the value and size of each contract and the number of contracts the Group secures and the variation to the scope of work of these projects. As such, revenue and profit of the Group is difficult to predict and can vary materially from budgets or expectations;

(ii) inability to complete and deliver a project to clients as scheduled. Timely completion of projects will allow the project teams to commence work on other projects and thereby maximise the use of resources. As such, inability to turnaround and complete a project as scheduled can materially and adversely affect the revenue and profit of the Group;

(iii) inability to maintain and improve existing industry knowledge (in the ICT industry in particular). The demand for the Group's products and services by any particular client depends on the Group's ability to incorporate features into its products which are unique to the client's industry. Hence, the inability to develop or maintain industry expertise will adversely and materially affect the revenue and profit of the Group; and

(iv) inability to continuously improve the Group's software applications and services through R&D. Any defects or errors in its IT solutions or failure to meet client's specifications or expectations could result in delayed or lost revenue. Clients could also terminate the Group's services in whole of in part prematurely if they are not satisfied with the Group's software applications or services. Such actions will materially and adversely affect the revenue and profit.

4.26 Disaster Recovery

The Group's daily operations may be affected by events of emergency such as explosion, fire, flooding, energy crisis, health crisis, sabotage, civil commotion, war or acts of God. The Group will be implementing a disaster recovery plan such as Off-Site Backup storage with review and validation processes, and a duplicate copy of critical applications and data will be kept at a confidential location. In addition, a simulation test on the data and critical applications restoration will be carried out on a pre-scheduled basis to ensure that the back-up data is validated and useable.

Notwithstanding that the disaster recovery plan will be in place, which could temporarily divert the operations from the affected area to back-up areas, there is no certainty that the operations at the back-up sites will function to a satisfactory operating level. The Group endeavours to ensure all office equipment and other peripherals which include back-up sites and remote access system facilities are in good working condition.

4.27 Disclosure Regarding Forward Looking Statements

Certain statements in this Prospectus are based on historical data, which may not be reflective of future results, and others are forward-looking in nature, i.e. those other than statements of historical facts, which are subject to uncertainties and contingencies. Although the Group believes that the expectations reflected in such future statements are reasonable at this time, there can be no assurance that such expectations will prove correct in the future. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Prospectus should not be regarded that the plans and objectives of the Group will be achieved.