

## 5. INFORMATION ON THE DVM GROUP

### 5.1 History of the DVM Group

DVM was incorporated in Malaysia under the Act on 25 March 2003 as a public limited company under the name of DVM Technology Berhad with an initial authorised share capital of RM100,000. However, DVM had on 28 July 2003 increased its authorised share capital to RM25,000,000 comprising 250,000,000 Shares to cater for the implementation of the Flotation Scheme as set out in Section 6 below. The principal activity of the Company is that of investment holding. DVM had on 18 April 2003 commenced its business operations.

### 5.2 Location of Operations

The DVM Group is presently operating from 2 locations:

- 2 lots of 3-storey shop office located at No. 34 & 36, Jalan SS22/21, Damansara Jaya, 47400 Petaling Jaya, Selangor Darul Ehsan where its operations are carried out; and
- Patimas Technology Centre in Technology Park Malaysia, Bukit Jalil where its R&D Department is located.

Both offices are being rented on an annually renewable basis.

### 5.3 Share Capital and Changes in Share Capital

The authorised and issued and fully paid-up share capital of DVM as at the date of this Prospectus are as follows:

	No. of shares	Par value RM	Total share capital RM
<b>Authorised:-</b> Ordinary shares	250,000,000	0.10	25,000,000
<b>Issued and fully paid-up:-</b> Ordinary shares	120,000,000	0.10	12,000,000

The changes in the issued and fully paid-up share capital of DVM since its incorporation are as follows:

Date of allotment	No. of ordinary shares allotted	Par value RM	Consideration	Cumulative issued and paid-up share capital RM
25.03.2003	20	0.10	Subscribers' shares	2
29.07.2003	73,495,700	0.10	Shares issued pursuant to the Acquisition of ETC at RM0.10 per Share	7,349,572
10.09.2003	46,504,280	0.10	Shares issued pursuant to the Rights Issue at RM0.10 per Share	12,000,000

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**5. INFORMATION ON THE DVM GROUP (Cont'd)**


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Upon completion of the Public Issue, DVM will have an enlarged issued and paid-up share capital of RM16,000,000 comprising 160,000,000 Shares.

**5.4 Group Structure**

DVM is principally an investment holding company and the principal activities of its subsidiary companies are as follows:

<b>Subsidiaries</b>	<b>Principal activities</b>
ETC	Provision of specialised telecommunication, data communication, computer networking solutions and professional services for the development of communication infrastructure.
Adtel*	Provision of operational support system, development of software and services for communication infrastructure.
NGC*	Development of software application.

\* *Wholly owned subsidiaries of ETC*

Further information on the business of the Group is set out in Section 5.6 of this Prospectus.

**5.5 Background**

Dato' Goh Kian Seng founded the Group with the incorporation of ETC on 28 February 1997. From its inception till todate, ETC is principally an IT based company involved in the provision of specialized telecommunication, data communication, computer networking solutions and other related professional services.

Currently, ETC provides end-to-end specialized systems and network integration enterprise solutions, which includes managing and implementing the systems and network integration projects. This is performed through the process of procuring, deploying, testing of telecommunication and data-communication equipment as well as designing architecture solutions to meet their customers' requirements.

On 23 January 1998, the Group expanded its line of products and services offered by incorporating Adtel. Adtel is a wholly owned subsidiary of ETC and it focuses on providing operational support systems and services to the ICT industry, which complements the business of ETC.

Unlike the more generic software or hardware the retail market is used to, software for high end communication and network systems is rarely complete and exist in an isolated system, nor is the software able to provide all the functionality within a monolithic program. Therefore, some form of integration is necessary to consolidate the software to other software or database systems, in which NGC and Adtel specialise in.

In addition, in realizing the importance of software development as a competitive advantage of the Group, NGC was incorporated on 18 September 2002, to develop and implement the next generation software applications. Previously, the capability of programming and development of software were housed jointly under both ETC and Adtel. The incorporation of NGC marks the crystallization of the technical capability of the Group under one single operating entity. On 20 November 2002, NGC was awarded the MSC Status for its development of the Next Generation Communication software applications, now known as Genico™. These software applications are being marketed through ETC and Adtel. Details of Genico™ are set out in Section 5.6.5 of this Prospectus.

## 5. INFORMATION ON THE DVM GROUP *(Cont'd)*

In general, the incorporation of three (3) different entities specializing in system and network integration solutions would enable the Group to tap on the potential businesses and opportunities available in the ICT industry.

In 2002, Datamat, a public limited company that is listed on the Stock Exchange of Thailand, invested in ETC vide the acquisition of 51% in ETC from the existing shareholders of ETC. Datamat is principally involved in the development of IT infrastructure, provision of Application Service Providers ("ASP") services, provision of professional and education services and distribution of office automation and computer supplies.

The DVM Group intends to take advantage of Datamat's customer base to market the Group's products and services in Thailand. This is a strategic move by the Group to expand its geographical coverage to Thailand by utilising Datamat's market presence and network in Thailand.

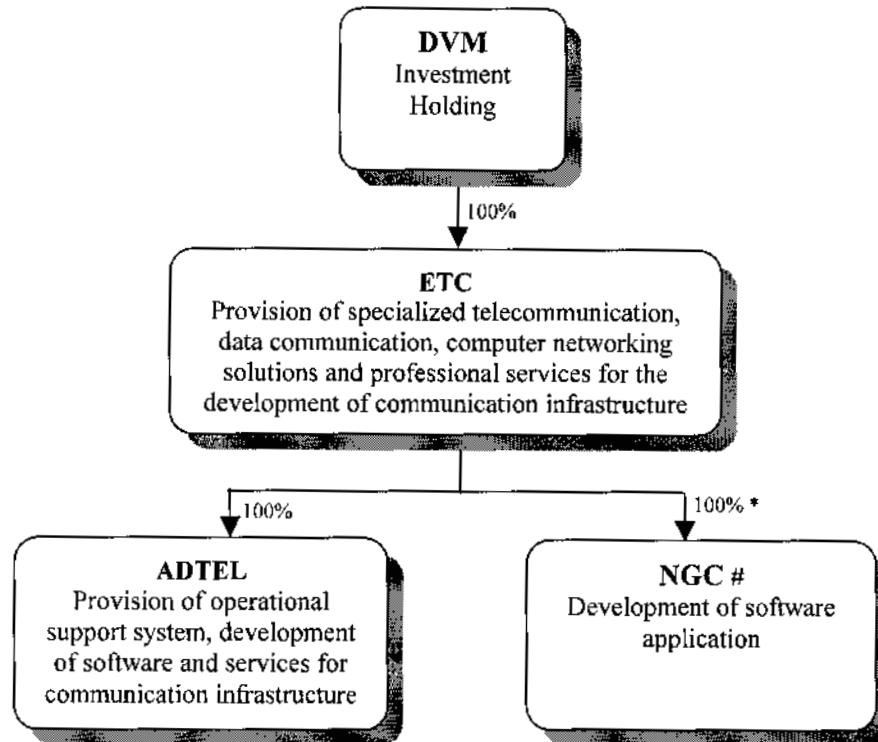
The major milestones of the DVM Group are as follows: -

Year	Event
1997	<ul style="list-style-type: none"> <li>Incorporation of ETC.</li> </ul>
1998	<ul style="list-style-type: none"> <li>ETC was awarded with the following:               <ol style="list-style-type: none"> <li>The "Outstanding Achievement Award" by IBM Asean – IBM Networking; and</li> <li>The "Top IBM Reseller, Malaysia Award" by IBM Asean/South East Asia Business Partners.</li> </ol> </li> <li>Incorporation of Adtel.</li> </ul>
2000	<ul style="list-style-type: none"> <li>ETC registered as an authorised contractor by the Malaysian Ministry of Finance until year 2001.</li> <li>Adtel was awarded the HP Star Certification – Technical Excellence in HP9000 Servers &amp; Workstations.</li> <li>Adtel was awarded HP Asia Pacific – Best in Class Reseller 2000.</li> </ul>
2001	<ul style="list-style-type: none"> <li>ETC registered as an authorised contractor for Telekom Malaysia Berhad for the particular year.</li> <li>ETC registered as an authorised contractor for Tenaga Nasional Berhad for the particular year.</li> <li>Adtel was awarded with the HP Premier Business Partner (Commercial).</li> </ul>
2002	<ul style="list-style-type: none"> <li>Incorporation of NGC.</li> <li>NGC was awarded MSC status for the development of the Next Generation Communication Software Application.</li> <li>Datamat invested 51% in ETC.</li> </ul>
2003	<ul style="list-style-type: none"> <li>Adtel registered as an authorised contractor by the Malaysian Ministry of Finance until year 2006.</li> </ul>

## 5. INFORMATION ON THE DVM GROUP (Cont'd)

### 5.6 Business Overview

DVM is principally an investment holding company while the principal activities of its subsidiary companies are depicted below:



\* 2 ordinary shares of RM1.00 each in NGC are held directly by DVM pursuant to the Acquisition of NGC.

# NGC was awarded the MSC status on 20 November 2002.

The Group's core activities include provision of specialised system integration solutions, development of open sourced software development, development of next generation communication software applications and other related professional services. The communication infrastructure comprises physical network, hardware configuration and software application.

#### 5.6.1 Overview of the Business of the DVM Group

The DVM Group is currently engaged in the business of providing specialised system integration solutions, development of open sourced software, development of next generation communication software applications and other related professional services in Malaysia and the South East Asia region. The DVM Group is inspired to capitalise on the growth of the next generation communication arena.

In the past 5 years, the DVM Group focused on projects in the development of communication infrastructure for telecommunication companies such as Telekom Cellular Sdn Bhd, Cordoda, DiGi Telecommunications Sdn Bhd, Maxis Mobile Sdn Bhd, SingTel, Mobile One and DataOne.

With the advancement of technology in the communication industry, the basic structure of the communication sector can be summarised as follows:-

## 5. INFORMATION ON THE DVM GROUP (Cont'd)

Mode of communication	Era since	Communication Technology	Network elements	Communication products	Value added services
Fixed Line	1900s to 1990s	Copper line Leased line POTS	Siemens Alcatel Nokia Ericsson Motorola	Voice, Text, Data	Telegraphy CLIP Call Waiting Caller ID Based Routing 1800 Numbers
Data World	1960s to 1990s	Internet Broadband Fiber Optic Frame Relay ISDN Giga Ethernet	Cisco Alcatel Ericsson Nortel Lucent	Data Picture	VPN E-mail HTML Post Paid IVR IP Fax
Wireless	1980s to 1990s	GSM PCN TDMA (IS-136) CDMA ETACS D-AMPS	Siemens Alcatel Ericsson Nokia Motorola	Voice Text	SMS Prepaid Roaming Call Forwarding Voice Recognition Local-Based
Converged (IP based)	2000s	All of above GPRS 3G UMTS BFWA	All of above	Data Voice Video	All of the above and IP Multi-conferencing E-commerce Entertainment Gaming Single number

The above table depicts the evolution of the communication technology. As technology progresses, the communication infrastructure is shifting from hardware oriented to more software oriented managed infrastructure.

The projects undertaken by the DVM Group require high-level technical expertise and advanced technological know-how. The DVM Group will focus in developing software for communication infrastructure, as the communication industry will be powered by software applications. The communication infrastructure is a highly specialised industry.

In this respect, ETC will continue to spearhead and extract value from the Group's system integration solution providing business and enhance its dominant position in the market place while, Adtel manages the provision of operational support systems and services to the ICT industry.

On the other hand, NGC specialises in software development for the next generation communication systems, whereby the R&D team of DVM is continuously developing, upgrading and testing new softwares and technologies for the ICT industry. The Group intends to launch Genico™ by early 2004. NGC shall concentrate on developing the software for this growth area whilst ETC and Adtel will market the software.

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The revenue models of the DVM Group are depicted below:

<b>Products and Services</b>	<b>Revenue Model</b>	<b>Description</b>
Business Support Applications	Contract amount	The pricing on Business Support Applications is based on the specifications of the scope of work to be done and amount of man-hour to commission the project.
Data Integration and Executive Information Systems	Contract amount	The pricing of Data Integration and Executive Information Systems is based on the specifications of the scope of work to be done and amount of man-hour to commission the project.
Network Support Systems	Contract amount	The pricing of Network Support Systems is based on the specifications of the scope of work to be done and amount of man-hour to commission the project.
Enterprise Data Networks	Contract amount	The pricing of Enterprise Data Networks is based on the specifications of the scope of work to be done and amount of man-hour to commission the project.
Telecommunications Infrastructure Solutions	Contract amount	The pricing of Telecommunications Infrastructure Solutions is based on the specifications of the scope of work to be done and amount of man-hour to commission the project.
e-Petra™ System	Price on units sold	Selling price on systems sold.
Infranet Billing Systems Add-On Modules	Price on units sold	Selling price on modules sold.
Genico™	Price on units and modules sold	Selling price on units and modules sold.
Professional Services	Periodical fee based	Annual fee charged based on the required maintenance.

Further information on the business of DVM's subsidiaries is set out in Sections 5.6.2 to 5.6.5 of this Prospectus.

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### 5.6.2 Products and Services

A summary of the products and services of the DVM Group is set out below:-

Products and services	Undertaken by
Specialised System and Network Integration Solutions	ETC
Open Sourced Software Applications	Adtel
Genico™	NGC
Professional Services	ETC and Adtel

### 5.6.3 ETC

#### Specialised Systems and Network Integration Solutions

Specialised systems and network integration solutions are combinations of hardware and software (including development software) for communication infrastructure. Unlike the more generic hardware or software for the retail market, software for high-end communication infrastructure requires in-depth knowledge and a high degree of technical expertise. Amongst these specialised systems and network integration systems provided by ETC are summarized below:

#### (i) Business Support Applications (“BSA”)

BSA are software applications that are implemented to enhance the business process functions and managing the revenue of a company. The range of products under the category of BSA are billing solutions, fraud management solutions, collection and risk management systems, document management solutions and a host of others. The chosen design and architecture used by the Group to implement and commission a BSA project varies depending on the end requirements of the customers.

#### (ii) Data Integration and Executive Information System (“EIS”)

Data Integration and EIS are software tools that are used by companies to extract and organize raw data that have been stored into the customers system. It is with the use of Data Integration and EIS that the data extracted can be organized into coherent information in conjunction with other enterprise applications that the senior management of companies is able to assess the performance of the business and make better management decision on the changes of the company’s business direction. The Group classifies data management tools and business intelligent solutions under the category of Data Integration and EIS.

#### (iii) Network Support Systems

Network Support Systems are the software and associated hardware which enable service providers and enterprises to sustain and manage their operations, administration, maintenance and planning. This includes “back-office systems,” such as those used for network planning and engineering. The solutions offered by the Group in this category are: Network Management Systems, Network Security, Bandwidth Management Solutions and other peripheral network supporting systems, network performance, security and network environment monitoring.

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**(iv) Enterprise Data Network (“EDN”)**

EDN projects are a combination of software and hardware equipment that are installed for the Group’s customers to build an enterprise data network. The scope of work covered under EDN encompasses a wide range of infrastructure data networks equipment that ultimately deals with the transmission of data information. A range of projects that are classified under EDN are wireless solutions, network routers, proxy software and network switches, internet/intranet access, e-mail, virtual private network, quality of service and remote access server.

**(v) Telecommunication Infrastructure Solutions (“TIS”)**

The Group provides TIS to its customers which are involved in the telecommunication industry. The technology used in the access, distribution and transport of the infrastructure are in the areas of telephony, data, video, microwave, fibre optics and copper cables. The TIS covers a wide range of access, distribution and transport equipment, which forms the physical infrastructure that enables the functioning of telecommunications backbone.

**5.6.4 Adtel****Open Sourced Software Applications**

Over the years, the DVM Group has developed for and on behalf of its clients’, software applications that are specialised and customised to their needs. In addition, the DVM Group has also developed open sourced software that are more generic in used for implementation and sold in modular form to its customer. The examples of these open sourced software applications that have been developed and are commercially available are as follows:

**(i) e-Petra™ System**

The development of e-Petra™ System was completed by Adtel in March 2001 and thereafter launched in October 2001. It is a web-based system designed to facilitate business-to-business relationship between a provider and its subscribers. Used in one application within the community, the system successfully leverages on the Internet, allowing accurate, efficient management of document exchange.

The e-Petra™ System automates the process of:

- Applying online between subscribers and provider through higher approving authority.
- Provider approving on-line.
- Notifying higher approving authority department of the approval details via e-Petra™ System.

**(ii) Intranet Billing Systems Add-On Modules**

Portal’s Intranet is a comprehensive real-time customer management and billing solution specifically designed for multi service Internet business models developed by Portal Software, Inc.. It is suitable for Internet business models such as IP Telephony, VoIP, Wireless Data, Dial-up, Broadband Access Services, Online Content and Gaming, Web Application Hosting, E-mail and Unified Messaging.



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Adtel has previously developed the following list of customised modules for Infranet v.6.1, which is built on Portal's Infranet, as listed below: -

Module Name		Description
1.	Custom Customer Account Registration/Modification Module	This module provides automatic real time or batch processing of customer account registration or modification in Portal's Infranet server.
2.	Custom General Ledger Details Creation Module	<p>This module provides automatic creation and generation of general ledger details data file to be used by a third party accounting software.</p> <p>The general ledger details extracted are only on the account receivables (revenue) portion, since Portal's Infranet server only keeps track of the account receivables portion.</p> <p>This module provides the flexibility to allow the user to specify any accounting cycle's data to be included in the general ledger details data file. The default setting of the module will always generate the latest completed accounting cycle's revenue data.</p>
3.	Custom Invoice Generation Module	<p>This module provides automatic creation of invoice in PDF format.</p> <p>This module also allows each billable service type to have specific invoice template type and design.</p> <p>This module can be setup to automatically email the invoice to respective customer. This is only possible with the presence of a working email server.</p>
4.	Custom Payment / Payment Reversal Module	This module provides automatic update of payment or payment reversal details.
5.	Custom Service Details Extraction Module	This module provides automatic extraction of all services details in Portal's Infranet server into a data file.

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**(iii) NE-Proviso™**

NE-Proviso™ is a network provisioning solution that enables service operators to send instructions to switches on their network elements. NE-Proviso™ provides a high level framework to provide a real-time and batch signalling interface between business applications and network elements. It insulates applications from changes in the communications network protocols and connectivity. It is written in Java, which is an open sourced language and can easily port to run on any other open hardware platform. Adtel completed the development of NE-Proviso™ in March 2001 which was launched in October 2001.

**(iv) Professional Services**

Professional services also include maintenance and on-going support services, which include help desk services, preventive maintenance and trouble shooting to its existing clients. The Group maintains its existing IT infrastructure and network solutions, which provides on-going support, based either on engagement or on-call basis. To ensure minimal downtime, the DVM Group provides annual maintenance and support services. The maintenance services include provision of on-site and off-site support, preventive maintenance services and facility management.

**(v) ET-TAC**

The ET-Technical Assistance Center (ET-TAC) is a web based Helpdesk System developed by the DVM Group to support its customers. ET-TAC is where customers can log their problems and view the progress of the problem. Once a problem is "created", the Maintenance Manager will be immediately notified via email regarding the problem. He will then assign an engineer to solve the problem as appropriate. This will help to expedite the time to solve the problem according to the maintenance contract signed.

**5.6.5 NGC****Genico™**

NGC was incorporated to focus on the development of the next generation communication software applications. The DVM Group is the only company working with HP (one of the reputed supplier of telecommunication platform in the world) in Malaysia to develop the next generation communication software applications in the local software industry. Therefore, the management of DVM believes that NGC is amongst the pioneers in the development of the next generation communication software applications in the local software industry. The technological innovation is in the development of VoIP Advanced Applications services on the VoIP network infrastructure that allows service providers and enterprises to offer value-added services for the next generation networks industry. Genico™ runs on the carrier-grade, network-based HP OCMC platform, which is the leading platform technology provider to international equipment vendors such as Cisco, Nortel, Clarent and others. Genico™ is also versatile and is able to run on any open standard platform.

Genico™ provides service providers value added services for generating more revenue. These value added services will benefit the end users with services such as call screening, call routing, call waiting and call forwarding on the IP based network.

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**5. INFORMATION ON THE DVM GROUP (Cont'd)**


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The potential clients for NGC are service providers, telecommunication providers and enterprises. NGC will offer Genico™ software at a competitive price and with fast response time, efficient service, maintenance and support as compared to its competitors.

In summary, Genico™ allows service providers and enterprise businesses to save on its communication costs as well as gain new market-share and customers. Businesses and customers are able to deploy web-enabled call centres, unified messaging, real-time collaboration, real-time multimedia video/audio-conferencing, distance learning and embedding voice links into electronic documents. Thus, NGC will design, develop, install and maintain the Genico™ software.

In total, there are three (3) phases for the development and implementation of Genico™. NGC has completed the development of Phase I, which comprises five VoIP products to be offered to the service providers and enterprises. NGC is targeting the launching of Phase I by early 2004. The development of Phase II will commence in 2004 and the final phase will commence in 2006. Details of the services provided in each of these phases are set out in Section 5.6.17 of this Prospectus.

**5.6.6 Core Technology**

The core technology of the DVM Group can be segregated into two broad areas based on the product offerings of the Group: -

**(i) Communication Infrastructure**

The core technology in the specialised system and network integration solution as well as in professional services is the technical capabilities of the Group's staff. The ability of the Group's staff in common development environment programming language C++, Visual Basic, Map Basic and Java enables the Group to embark on varying communication platforms.

In addition, in jointly working with its technology partners to implement the contracts/projects that the Group was awarded, in the areas where the Group is lacking in a particular field of technological expertise, it is able to leverage on its partners. The development of the Group's core technology continuously expands with the development of new telecommunication products and constant training and retraining from its technology partners.

**(ii) Genico™ and Open Sourced Software Applications**

The core technology being the ability of the Group to design and develop customised as well as generic software applications using market available platforms. For example, the platform required Core Processing Language ("CPL") and Java open standard in developing Genico™ software for service development in different network systems like PSTN, wireless and internet. Therefore, the core technology of the Group in developing the next generation communication software applications and open sourced software applications varies depending on the requirements of the end product.

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### 5.6.7 Intellectual Properties

DVM Group has its own intellectual property rights in the form of: -

- (i) Genico™;
- (ii) e-Petra™ System; and
- (iii) NE-Proviso™.

Adtel has filed registration to protect the intellectual properties of e-Petra™ System and NE-Proviso™ and NGC shall own the source codes of Genico™ upon its completion.

The DVM Group shall take steps to protect the intellectual property rights to the source codes in accordance with provisions of the Malaysian Copyright Act, 1987. In order to protect the intellectual property rights of its source codes, the DVM Group shall incorporate intellectual property rights protections and/or clauses in its agreements with its customers. In other words, all 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 and the Chief Technology Officer ("CTO") combines these segments to form the whole software. With the exception of the CTO, any one programmer does not know the source codes for a whole software application. In addition, the employment letters of the technical employees of the DVM Group include a Non-Disclosure clause.

### 5.6.8 Quality Control Procedures

The DVM Group believes in providing the best quality of their services and products in meeting and exceeding customers' requirements and needs. To ensure that the DVM Group consistently delivers quality services and products, the Group has embedded in its daily operation quality control procedures.

As the services and products that are provided by the DVM Group are customised products, the quality control procedures commence right from the time the Group tenders for their projects to the point where the projects are completed and handed over. The quality control procedures of the DVM Group can be summarised in the table below: -

Business Areas	Quality Control Procedures	Objectives
ETC Specialised Network and System Integration	System engineers design the suitable architecture for the client, ensuring smooth transition and performance of the systems. To ensure minimal downtime, the system is tested vigorously to debug any likely scenarios that can cause the system to crash.  In addition, the technical staffs of the client are provided with training to perform basic maintenance of the system as well as a help line number to call in case of system break down.	To ensure optimal performance of the integrated system and minimal down time of the system.  To minimise the reliance on the DVM Group technical staff on small troubleshooting matters and increase response time to any system problems.

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Business Areas	Quality Control Procedures	Objectives
<p><b>Adtel</b></p> <p>Open Sourced Software Development</p>	<p>Software developers design and monitor the running of the software applications and functions performed. A comprehensive user acceptance testing is performed prior to going live.</p> <p>Provision of on site testing of the product after installation and maintain a log on the performance of the software and continuously debug and provide new patches for software.</p> <p>Continuously retune the software to function at an optimum performance level.</p>	<p>To ensure functionality of software applications perform to intended functions.</p>
<p><b>NGC</b></p> <p>Genico™</p>	<p>Develop a customer-centric solutions for telecommunications service providers and enterprises.</p> <p>Continuously focus on research and innovate new technology as well as conforming to new communication protocols and standards.</p> <p>Build, design, architect software development and continuously debug and provide patches for software. A comprehensive user acceptance testing is performed prior to going live.</p> <p>Continuously provide functionality and features to enhance user friendly experience and reliability of the product.</p> <p>Continuously refine and enhance the software functionality base on customers feedback, request and market intelligence.</p>	<p>To ensure functionality of software applications performed to intended functions.</p>
<p><b>DVM Group</b></p> <p>Professional Services</p>	<p>Continuously invest in employee training and keep up to date on new technology. Employees undergo certification programs to ensure they are competent to perform their job.</p>	<p>To ensure a continuous pool of technical expertise and customer satisfaction.</p>

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### 5.6.9 Competition

In most countries, the ICT industry, in particular the telecommunication business, is highly competitive with ever-improving technologies being introduced from time to time. Whilst there are many competition in the ICT industry, the DVM Group does not presently have a direct competitor who competes in all of the DVM Group's business areas. Therefore, comparisons of the Group's competitors are on the basis of similar products and services that are offered by its competitors. Moreover, the DVM Group often form alliances with these companies to jointly tender for projects given the various areas of expertise in which both the DVM Group and these companies may contribute to the projects tendered.

The Directors believe that the Group's competitors include but not limited to:-

Company Name (Date of Annual Report)	Location	Principal Activities (that are similar to that of the DVM Group)*
Dataprep Holdings Berhad (31.03.2003)	Petaling Jaya	Provision of support and maintenance services for computer equipment and systems, development of software and consulting, marketing of computer systems, equipment and software, and internet application service provider.
Edaran Digital Systems Berhad (30.06.2003)	Kuala Lumpur	Provisioning, installation, commissioning and maintenance of power supply equipment for telecommunication systems, provisioning, installation, commissioning, integration, and maintenance of telecommunication equipment and IT products and related services.
Lityan Holdings Berhad (31.12.2002)	Shah Alam	Public mobile data network operator, provision of support services for the installation, repair, operation and maintenance of pay telephone system equipment, accessories and parts, and assemblers, manufacturers, distributors of telecommunication equipment and parts.
Mesiniaga Berhad (31.12.2002)	Subang Jaya	Sales and service of information technology products and related services, sales of networking cables and related products and services.
Sapura Telecommunications Berhad (31.01.2003)	Kuala Lumpur	Designing, development, distribution, provision and integration of IT software solutions, data communications integration and computer telephony technologies services, trading of computer and telecommunications products and services related activities, design, supply and system integration of information communication and technology components and general consultancy, software development and related services.
Heitech Padu Berhad (31.12.2002)	Subang Jaya	Provision of systems integration, network related services, data centre management, disaster recovery services and other IT related services.

\* Source : As extracted by the management of DVM from the latest Annual Reports of the respective listed companies as set out above.

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**5.6.10 Competitive advantages**

The ICT industry is highly competitive and in order to succeed, the DVM Group has over the years built the following competitive advantage over its competitors:

**(i) Experience in the Business Know-How**

The DVM Group has extensive knowledge to engineer and design solutions that gives customers quality solutions. The Group has accumulated vast experience having worked in various projects together with established solutions providers such as HP, IBM, AtlasOne and Cordoda in which the Group is continuously acquiring new skills and knowledge from time to time.

**(ii) Strategic Alliances**

The DVM Group has formed alliances with technology partners, who are leaders in their field to provide high-end technology products to its customers. This enables the DVM Group to remain at the forefront of technology and product developments.

**(iii) Human Resource Development**

All technical staffs of the DVM Group undergo continuous technical training to keep abreast with technological advancements. In addition, the Group's staffs are required to have in-depth product knowledge and relevant experience in order to work closely with their clients and partners to create/achieve optimum customised business solutions to meet their needs.

**(iv) Client Oriented**

The DVM Group's development team is client-oriented, in analysing the client's needs, customising and localising applications for the users by working hand in hand with clients. This approach has reduced the possibility of unmatched application solutions and enhanced the quality of the products and services provided.

**(v) Internal Development Team**

The DVM Group has its in-house internal development team which enables the Group to independently provide solutions and services to their customers. This enables the DVM Group to better cater as well as foster a closer relationship with its customers.

**(vi) Professional Services**

The DVM Group has developed long-term relationship with its clients by providing prompt and effective after sales and maintenance services. The professional services provided would ensure minimal downtime and increase productivity in systems and solutions for its clients.

**5.6.11 Barriers of Entry**

The barriers of entry into the businesses in which the Group is involved in vary depending on the different business areas that are offered by the DVM Group. However, the general barriers to entry are as follows:-

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**(i) Technical Skill**

The technical expertise of staff to design and develop the software applications and solutions is a critical factor for the Group. Moreover, the technical staff would require a substantial amount of training and incentives to continue working in the company after being trained.

**(ii) Confidence Level**

The ICT industry is one that is technologically sophisticated and requires high levels of investments. Therefore, in order to build the confidence level in winning contracts from the communication providers, proven track records in delivering and implementing the projects is required. This barrier of entry will be high for new players to establish themselves in the business.

**(iii) High Start Up Costs**

Procurement of computer systems, R&D of applications and development of software applications require high start up and recurring costs. Due to this high start up cost structure, it is difficult for competitors to enter the market and be profitable in the short term.

**(iv) Technological Partnerships**

A key area in the specialised system integration business of the DVM Group is the partnership and teaming agreements. The establishment of such technological partnerships would take long periods of time.

**(v) Performance Bonds**

One of the requirements in tendering for major projects would be the need for performance bonds which usually involves large sums of money to be deposited to show the financial ability of the parties tendering for the projects. This is a barrier of entry that would hinder many players as the performance bonds are usually deposited for long periods of time.

**5.6.12 Major Customers**

The Group's major customers based on the Group's proforma results for the 9 months financial period ended 30 June 2003, are as follows:-

Major customers	Products/ Services provided	Length of relationship (years)	Percentage of the DVM Group's sales (%)
1. Lantro Vision (S) Ltd *	TIS and EDN products	1	59.2
2. Lantro (M) Sdn Bhd (224806-M)*	TIS and EDN products	1	25.9
3. Ericsson Sdn Bhd (9093-K)	Professional services	3	0.4
4. Maxis Mobile Sdn Bhd (229892-M)	BSA	6	7.0



**5. INFORMATION ON THE DVM GROUP (Cont'd)**

Major customers	Products/ Services provided	Length of relationship (years)	Percentage of the DVM Group's sales (%)
5. IT Partners (MAL) Sdn Bhd (257789-T)	Infranet billing systems	3	1.2
6. CMnet dot com Sdn Bhd (489566-T)	Software development	4	2.4
7. Agilent Technologies Sdn Bhd (493085-W)	Software development	2	1.7
8. IBM Malaysia Sdn Bhd (500613-M)	Software development	2	0.3
9. Hewlett Packard Sales Sdn Bhd (42624-T)	BSA	4	0.3
10. Digi Telecommunications Sdn Bhd (201283-M)	BSA	2	0.9

\* *Contributes more than 10% of the Group's proforma turnover for the 9 months financial period ended 30 June 2003.*

The Group's business is mostly project-based. As a result, revenue derived from a particular customer may fluctuate from year to year depending on the types of projects carried out. While Lantro Vision (S) Ltd and Lantro Vision (M) Sdn Bhd each contributed more than 10% of the Group's proforma turnover for the 9 months financial period ended 30 June 2003, in light of the timing, nature and extent of the Group's business, the Group is not dependent on any single customer or group of companies.

**5.6.13 Major Suppliers**

As ETC and Adtel provide networks and system integration solutions to their customers, it is a norm for their customers to require the acquisition of hardware equipment be included in their projects. In this respect, ETC and Adtel generally source for these hardwares from a pool of suppliers which are related to reputed overseas technology partners.

The Group's major suppliers based on the Group's proforma results for the 9 months financial period ended 30 June 2003, are as follows:-

Major suppliers	Products/Services provided	Length of relationship (years)	Percentage of the DVM Group's purchases (%)
1. Thales Broadcast & Multimedia, Inc	Networking hardware and software	1	37.8*
2. Cambridge Broadband Limited	Networking hardware and software	1	35.7*

**5. INFORMATION ON THE DVM GROUP (Cont'd)**

Major suppliers	Products/Services provided	Length of relationship (years)	Percentage of the DVM Group's purchases (%)
3. AtlasOne Malaysia Sdn Bhd (458625-T)	Networking hardware and software	1	7.2
4. Harris Corporation Inc	Networking hardware and software	1	5.6
5. Datacraft Malaysia Sdn Bhd (143167-V)	Networking hardware and software	1	2.8
6. Vrnet (M) Sdn Bhd (477908-U)	Networking hardware and software	1	1.5
7. HPD Systems Sdn Bhd (412987-Z)	HP Servers and software and Hitachi software	5	4.1
8. Hewlett-Packard Sales (M) Sdn Bhd (42624-T)	Professional services	4	1.0
9. Portal Software Inc	Infranet Software	3	1.0
10. Comline Systems Sdn Bhd (192422-A)	E-business and ERP software	2	0.7

\* *Contributes more than 10% of the Group's proforma purchases for the 9 months financial period ended 30 June 2003.*

The purchases are significantly higher during the 9 months financial period ended 30 June 2003 as the projects undertaken involved substantial requirements in hardware, and hardware sales tend to be volume oriented. The DVM Group does not maintain any agreements with its suppliers but has over the years built up relationships with a number of suppliers. The DVM Group has recurrent transactions with the aforementioned suppliers and has good business relationship with them. In some instances, the DVM Group has signed reseller agreements with the suppliers. It has also at least two (2) alternative regular suppliers to limit dependency on any one of them.

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## 5. INFORMATION ON THE DVM GROUP (Cont'd)

## 5.6.14 Completed Projects and On-Going Projects

## (i) Completed Projects

No.	Client	Description of Projects	Date Commenced	Date Completed	Subsidiary involved
1.	Dagang Net Technologies Sdn Bhd (177974-T) (formerly known as "Electronic Data Interchange (M) Sdn Bhd")	• Supply and installation of networking equipments for the 11 Central Backbone Switches	1997	1998	ETC
		• Facilities Management Services at 10 sites throughout Peninsular And West Malaysia	1998	2001	ETC
		• Preventive maintenance at 10 sites throughout Peninsular And West Malaysia	Feb 1999	Feb 2001	ETC
2.	Automatic Identification Technology Sdn Bhd (84241-M)	• Structured cabling and networking solutions	1997	1998	ETC
3.	Kurnia Insurans (Malaysia) Bhd (44191-P)	• E-mail messaging	1998	1998	Adtel
		• Network Management Systems	1998	1998	Adtel
		• Chassis	1999	1999	Adtel
		• Installation, upgrading, documentation for Netscape, HP-UX and NT Platform	Nov 2000	Dec 2000	Adtel
		• Network Security Installation	Dec 2000	Feb 2001	Adtel
		• Preventive Maintenance	Dec 1999	Jun 2001	Adtel

## 5. INFORMATION ON THE DVM GROUP (Cont'd)

No.	Client	Description of Projects	Date Commenced	Date Completed	Subsidiary involved
4.	Maxis Mobile Sdn Bhd (229892-M)	• Implementation of Data Stage and Data Storage Services	1999	1999	Adtel
		• Sybase Support Services	Mar 1999	Mar 2000	Adtel
		• Collection and Risk Management Systems ("CARMS") Project – Phase 1 and 2	Dec 1999	Dec 2002	Adtel
		• CARMS Upgrade	Oct 2002	Oct 2002	Adtel
		• Datastage ETL Services	2003	2003	Adtel
		• Enhance Datastage Program	2003	2003	Adtel
5.	High Tech Electronics Sdn Bhd (274755-X)	• Supply, installation and commissioning of HP servers for Star Cruise project	May 1999	Jul 1999	Adtel
6.	Measat Broadcast Network Systems Sdn Bhd (240064-A)	• Supply, install and commissioning of servers	Dec 1999	Dec 1999	Adtel
7.	Objective Systems Integrators Inc	• Company Consulting Agreement for Hong Kong Tel in Hong Kong	Apr 2000	June 2000	Adtel
		• Company Consulting Agreement for SingTel INMS	May 2000	Sep 2000	Adtel
		• Company Consulting Agreement for Mobile One Project in Singapore	Dec 1999	Oct 2000	Adtel
		• INMS for New Zealand Telecom	Feb 2001	Apr 2001	Adtel

## 5. INFORMATION ON THE DVM GROUP (Cont'd)

No.	Client	Description of Projects	Date Commenced	Date Completed	Subsidiary involved
8.	CMnet Dotcom Sdn Bhd (489566-T)	• Professional Business Operation Systems Evaluation and Review Project	Mar 2000	Jun 2000	Adtel
		• e-permit Application	Mar 2002	Sep 2002	Adtel
		• Financial System Application Supply Chain Management System Application Human Resources Management System	Sep 2001	Oct 2002	Adtel
9.	IBM World Trade Corporation	• Implementation of Broadband Network Implementation Plan	Feb 1999	Jul 2000	ETC
10.	Cordoda Corporation Sdn Bhd (491931-M)	• IBM Nways Broadband Switch – Assessment of services and network support infrastructure, development of network architecture & implementation plan and installation & commissioning	Jan 2000	Jul 2000	ETC
		• Implementation of Gentrack Billing Systems	Mar 2000	Jul 2000	Adtel
		• Network Support Services	Jul 2000	Feb 2002	ETC
11.	Hewlett Packard Sales (M) Sdn Bhd (42624-T)	• Data Stage Services for Digi Telecommunications	Oct 2000	Oct 2000	Adtel
		• Professional HP OCMC for 2Bsure project	Sep 2001	Feb 2002	Adtel
		• Fraud Management Systems for Digi Telecommunications Sdn Bhd	Sep 2001	Mar 2002	Adtel

**5. INFORMATION ON THE DVM GROUP (Cont'd)**

No.	Client	Description of Projects	Date Commenced	Date Completed	Subsidiary involved
12.	Portal Software Inc	<ul style="list-style-type: none"> <li>Implementation of Infranet for DataOne, Singapore</li> </ul>	Jan 2001	Mar 2001	Adtel
13.	IT Partners (MAL) Sdn Bhd (257789-T)	<ul style="list-style-type: none"> <li>E-payment Solutions</li> </ul>	Mar 2001	Apr 2001	Adtel
14.	CCAAP Technologies (M) Sdn Bhd (331476-V)	<ul style="list-style-type: none"> <li>Supply, Delivery, Installation, Testing &amp; Commissioning and Maintenance of ATM campus network of University Malaysia Sabah</li> </ul>	Mar 2001	Jun 2001	ETC
15.	Telekom Cellular Sdn Bhd (27910-A)	<ul style="list-style-type: none"> <li>Supply, Delivery, Installation, Customization, Testing, Commissioning, Post-Acceptance Maintenance, Support And Services Of Universal Mediation Device</li> </ul>	Nov 2000	Sep 2001	ETC
16.	2bSure.com Pte Ltd	<ul style="list-style-type: none"> <li>Supply, delivery, installation of Prepaid UC Card Solution System</li> </ul>	Sep 2001	Dec 2001	ETC
17.	KUB Teknologi Sdn Bhd (234583-U)	<ul style="list-style-type: none"> <li>Mapinfo Software for Polis DiRaja Malaysia</li> </ul>	Jan 2002	Jan 2002	Adtel
18.	Ericsson Sdn Bhd (71731-A)	<ul style="list-style-type: none"> <li>Billing Mediation and Services for Telekom Cellular Sdn Bhd</li> </ul>	May 2002	Sep 2002	ETC
19.	IT Partners (MAL) Sdn Bhd (257789-T)	<ul style="list-style-type: none"> <li>Design, develop, commission and maintenance of the Portal Infranet Billing System of the Megajaya City Command Center</li> </ul>	Dec 2001	May 2002	Adtel

## 5. INFORMATION ON THE DVM GROUP (Cont'd)

## (ii) On-Going Projects

No.	Client	Description of Projects	Date Commenced	Date of Completion	Subsidiary involved
1.	CMnet Dotcom Sdn Bhd (489566-T)	<ul style="list-style-type: none"> <li>Maintenance contract</li> </ul>	Mar 2001	Ongoing on annual renewal basis	ETC
2.	Ericsson (Malaysia) Sdn Bhd (9093-K)	<ul style="list-style-type: none"> <li>Telekom Cellular Billing Mediator</li> </ul>	Aug 2002	Ongoing and on renewable basis	ETC
3.	Lantro (M) Sdn Bhd (224806-M)	<ul style="list-style-type: none"> <li>Development Of Wireless Broadband Network</li> </ul>	Nov 2002	2003	ETC
4.	Agilent Technologies Sales (Malaysia) Sdn Bhd (493085-W)	<ul style="list-style-type: none"> <li>Professional IT Services for Telekom Malaysia COINS INMS project</li> </ul>	2003	2003	Adtel
5.	Maxis Mobile Sdn Bhd (229892-M)	<ul style="list-style-type: none"> <li>Project CHESS</li> <li>Server Monitoring Systems</li> </ul>	2003 Nov 2002	2003 2003	Adtel Adtel
6.	Atlas One Malaysia Sdn Bhd (458625-T)	<ul style="list-style-type: none"> <li>CISCO LAN Switch</li> <li>Design, Supply, Delivery, Installation, Testing, Commissioning and Related Training of Microwave Equipment and Management System/Engineering Services</li> </ul>	2003 2003	2003 2005	ETC ETC
7.	IBM Malaysia Sdn Bhd (500613-M)	<ul style="list-style-type: none"> <li>Datastage Professional Services</li> </ul>	Mar 2003	Mar 2004	Adtel

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**5. INFORMATION ON THE DVM GROUP (Cont'd)**

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**5.6.15 Principal Markets**

The main market that the DVM Group operates in and will continue to target is the ICT industry. The ICT industry encompasses telecommunication as well as next generation network, which forms the next phase of development in the communication industry. In addition, throughout the telecommunications marketplace, a trend toward deregulation and liberalization prompted expectations of increased competition, reduced consumer prices, and innovative new services.

The promise of lower costs and new service offerings have not been realized in the marketplace is primarily due to the speed of development of the infrastructure for the telecommunication industry.

Hence, a company that can provide next-generation software solutions can capitalize on the potential in this area of the market. In turn, a whole new area of commerce within the telecommunications arena will be created.

**5.6.16 Marketing Strategies**

The Group will continuously strive to be a key player in the specialized system and network integration industry. With the development of Genico™, the Group is pioneering in providing value added services to the next generation network infrastructure.

Although the Group operates from the Klang Valley, the sales and marketing team of the Group covers the national market. However, the management of DVM believes that the geographical focus would continue to be concentrated in the Klang Valley due to the fact that most telecommunication services provider and enterprises are located in the central region of Peninsula Malaysia.

Therefore, the market expansion strategy of the Group is more focused on expansion in industry segments rather than geographical in nature. In the past, the industry segment that the Group has been most successful is in telecommunication and financial services. The Group plans to continue to focus and widen the customer base in the telecommunication services provider and provide more focus in the enterprises market segment.

The enterprise market will be crucial as next generation network infrastructure is more affordable to own and cost efficient as compared to the legacy systems. Some of the marketing strategies adopted by the Group are summarized below:

**(i) Product Expansion**

To maximise the opportunities available, the DVM Group will focus on establishing strong key partnerships with reputable solution and technology providers. With these partnership and technology transfers, the Group would be able to produce new and higher technology services and products in order to remain competitive. The DVM Group has teamed up with some established "big names" such as Agilent Technologies, DataOne (Asia), Hewlett Packard (Malaysia), Ericsson, Alcatel, IBM and Thales in their projects.

**(ii) Regional Expansion**

The Group in developing its own next generation communication software applications, is better positioned than other players in the market in terms of regional market penetration and expansion. The primary market that the Group will expand in the Southeast Asia is Thailand.



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**5. INFORMATION ON THE DVM GROUP (Cont'd)**

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The rationale lies in the Group's relationship with Datamat, which principal activities includes the development of IT infrastructure, provision of Application Service Providers ("ASP") services, provision of professional and education services and distribution of office automation and computer supplies. In connection thereto, the Group is able to leverage on the existing customer base of Datamat in offering their existing or new products and services developed.

The Group has commenced sales and marketing activities with Datamat to tender for projects in the ICT sector in Thailand since year 2002. Although DVM will not be setting up any companies or subsidiaries in Thailand, it will use the existing infrastructure of Datamat to secure new businesses in Thailand while DVM will provide their expertise, services and products to Datamat. Datamat presently focuses on providing IT solutions to the financial and governmental bodies in Thailand and intends to venture into the ICT industry.

Hence, it is envisaged that Datamat and the DVM Group would complement each other's businesses and able to leverage on each other's clientele base to market their products.

**(iii) Marketing Plans**

The marketing approach of the DVM Group is of "customer-centric". The Group's sales and marketing team has strong and established relationships with their clients. The team is also trained to fully understand and analyse the needs of their clients in order to provide value-added services in meeting their requirements and needs. In addition, the DVM Group continuously informs and educates users on the benefits and business advantages of the DVM Group's services and products. The marketing plans of the DVM Group are briefly summarized below:-

**(a) Sales Team**

The DVM Group has formed a group of dedicated account managers as part of the marketing/sales team for the sale of their products and services. This dedicated marketing team is result oriented and motivated by the attractive commission structure remuneration packages for sale of its services and products.

**(b) Develop Resellers Structure**

A reseller structure in selling IT products is important in this industry. This structure can maximise reach in marketing without carrying high cost for marketing staff. The DVM Group will continuously seek new resellers and expand its strategic relationships with resellers such as service providers, telecommunication and other software developers in order to cross sell the respective products in delivering complete technology solutions to customers.

Besides, the Group will also work hand in hand with its existing sales agents and the local and regional business partners to discuss and re-engineer the marketing strategies to promote the new products.

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**5. INFORMATION ON THE DVM GROUP (Cont'd)**

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**(c) Pricing Strategy**

The DVM Group offers affordable local professional services and reasonable solution pricing for their customers. The prices of the services and products offered are less expensive, when compared to the foreign made products, as only a few local players develop these products.

**(d) Customer Support Centric**

The DVM Group provides customer support services to their existing clientele base in realising the importance of technical support or after sales services needs from the clients. Therefore, the DVM Group provides training for their clients, upgrading of solutions and software applications, installation services, customization of software services, network configuration services, and other related services.

**(e) Promotions**

The solutions provided by the DVM Group are well promoted in technology oriented seminars and exhibitions on their own for specific focused groups. This provides a great opportunity for the Group to introduce their services and products to the resellers of these pioneer products.

The marketing promotion programs include activities like workshop and trade shows to introduce and inform customers of the new services or products offered.

**5.6.17 R&D**

DVM's policy on R&D is to innovate and develop new products that give competitive advantages in the market, primarily in Malaysia and secondarily, in neighbouring countries such as the South East Asia region. Currently, the Group is predominantly concentrating its R&D efforts on the next generation communication software applications. NGC conducts in-house R&D to ensure the continuation of product development. The current products being developed by NGC are mainly VoIP products that form the cornerstone of the next generation network architecture.

Presently, the R&D team is headed by Chen Chee Onn, who is responsible for the R&D strategy formulation. He is assisted by a total of 31 professional staff, of which 9 are contract technical staff. 7 of the staff are deployed for the development of the Genico™ applications. The R&D team is presently located at the Technology Park of Malaysia.

The Group has invested a total of approximately RM1.1 million in R&D for the past two (2) financial years (FY) ended 30 September 2002 and nine (9) months financial period (FP) ended 30 June 2003 as follows:

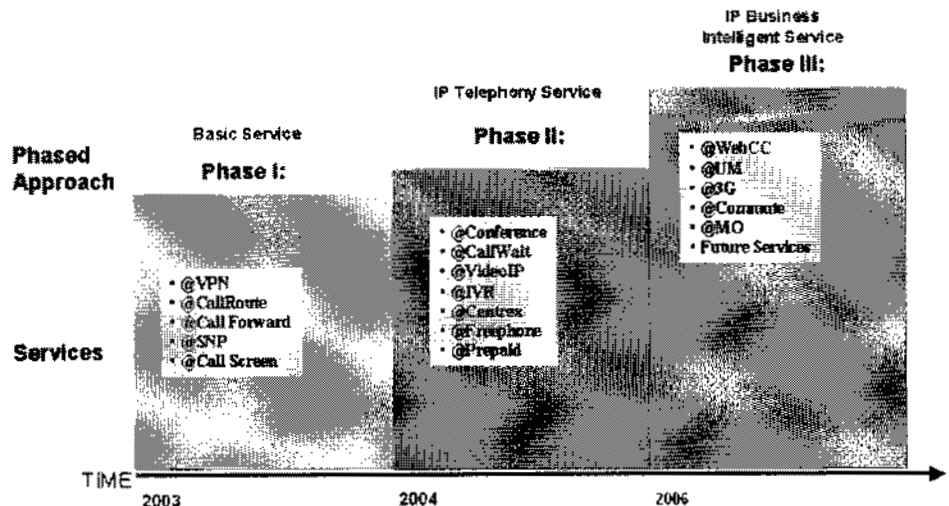
## 5. INFORMATION ON THE DVM GROUP (Cont'd)

	<---FY 2001--->		<----FY 2002---->		<-----FP 2003----->	
	RM'000	% of turnover	RM'000	% of turnover	RM'000	% of turnover
(i) Purchase of equipment (hardware and software)	57	0.19	353	1.53	40	0.12
(ii) Staff costs (technical personnel)	206	0.69	203	0.88	157	0.45
(iii) Training costs (technical personnel)	62	0.21	20	0.09	-	-
<b>Total</b>	<b>325</b>	<b>1.09</b>	<b>576</b>	<b>2.50</b>	<b>197</b>	<b>0.57</b>

Amongst the past R&D successes of the DVM Group include the introduction and development of e-Petra™, NE-Proviso™ and Genico™.

The focus on software development for Genico™ will provide value added services to the existing service providers and enterprises in generating increase revenue. These solutions would take advantage of the Next Generation Network of broadband and IP based infrastructure.

The stages of product development for the Genico™ are separated into three (3) phases as depicted below:



### Details of the Phase I, II and III Development Plan of Genico™

Genico's™ Phase I is classified as Basic Services. The reasoning behind the classification is that the function of these service are already common to the end users, i.e. mobile users in Malaysia have some of the functions like Call Screen, Call Route and Call Forward. The difference is that these functions are developed and made available to users of VoIP.

## 5. INFORMATION ON THE DVM GROUP (Cont'd)

For example, at present when a VoIP user calls a mobile phone user who has paid for Caller Identification services, the identification of the VoIP user cannot be identified. This is because the present IP based network does not possess the intelligent functions to communicate with the mobile network. Therefore, the development of Genico™ allows for the bridging of the two networks and enable all the services to the VoIP end user.

The rationale behind implementing the Genico™ over 3 phases is due to the development time it takes for R&D, as well as generating and creating market awareness and acceptance of each product phase before going on to the next stage of R&D. In addition, the management of DVM believes that the products for Phase II and especially Phase III are more dependent on the development of next generation network infrastructure, which will provide enhanced bandwidth.

### 5.6.18 Management and Employees

DVM operates in a highly "human capital" business whereby the continued success and future of the Group is dependent upon the skills, quality, experience and expertise of its employees, and the Group's ability to retain its employees.

The DVM Group's business is supported by competent personnel with sound industry knowledge, and hands-on experience and expertise. The key personnel in the DVM Group are from diverse technical disciplines that encompass engineering, sales and marketing, telecommunication, IT and business administration and have accumulated considerable wealth of experience for the success of the Group in this industry.

Presently, DVM provides in-house and on-the-job training to ensure that its employees are updated on the latest technology as well as acquire the skills required to perform the software development work. In addition, DVM's team of engineers are trained and certified by some of the leading technology companies such as Microsoft Corporation, Cisco Systems Inc., Alcatel Internetworking Inc., Hewlett Packard Inc., Sun Microsystems, Inc., Crystal Decisions, Westbrook Technologies Inc. and Computing Technology Industry Association.

DVM has identified to invest in selected training programs for its staff over the next few years, one of which is the HP OpenCall platform. The management choses to invest in the HP OpenCall training because the platform uses open standard technology. It is envisaged that in the event the DVM Group needs to migrate the software applications to another platform, the employees will not need to be retrained and the software design would not need to be changed.

As at the date of this Prospectus, the total workforce of the DVM Group can be segregated into the following categories:-

Category	No. of employees	%	Average Length of Service (Years)
Executive Directors of DVM	6	11	3
Technical / R&D staff	32	59	3
Sales and Marketing	9	17	2
Finance & Administrative	7	13	3
<b>Total</b>	<b>54</b>	<b>100</b>	

## 5. INFORMATION ON THE DVM GROUP (Cont'd)

The employees do not belong to any labour union and enjoy cordial relationship with the management. To date, the DVM Group has also not experienced any form of industrial disputes.

### 5.6.19 Interruptions/Disruption in Business

There were no interruptions in the business of the DVM Group which had a significant effect on the operations of the DVM Group during the past twelve (12) months.

### 5.7 Subsidiary Companies

Details of DVM's subsidiary companies as at the date of this Prospectus, all of which were incorporated in Malaysia, are as follows:

Subsidiaries	Date/Place of incorporation	Date business commenced	Authorised share capital RM	Issued and paid-up capital RM	Effective equity interest %	Principal activities
ETC (421265-H)	28.02.1997/ Malaysia	28.02.1997	5,000,000	1,500,000	100	Provision of specialised telecommunication, data communication, computer networking solutions and professional services for the development of communication infrastructure
Adtel* (457137-W)	23.01.1998/ Malaysia	23.01.1998	5,000,000	1,500,000	100	Provision of operational support system, development of software and services for communication infrastructure
NGC* (592922-M)	18.09.2002/ Malaysia	18.09.2002	100,000	100,000	100	Development of software application

\* Wholly owned subsidiaries of ETC.

The Group has no associated company as at the date of this Prospectus.

#### 5.7.1 ETC

##### (i) History and Business

ETC was incorporated in Malaysia as a private limited company under the Act on 28 February 1997. Dato' Goh Kian Seng founded ETC, a company principally involved in network integration with 7 staffs. In 1998, ETC expanded its business activities and hence Adtel was established to provide operational support systems and solutions.

## 5. INFORMATION ON THE DVM GROUP (Cont'd)

The ETC Group is principally involved in providing specialised telecommunication, data communications, computer networking solutions and professional services for the development of communication infrastructure.

### (ii) Share Capital

Its present authorised, issued and fully paid-up share capital are as follows:

Type	No. of ordinary shares	Par value RM	RM
Authorised	5,000,000	1.00	5,000,000
Issued and paid up	1,500,000	1.00	1,500,000

Changes in the issued and paid-up share capital of ETC since its incorporation are as follows:

Date of allotment	No of shares allotted	Par value RM	Consideration RM	Total issued and paid-up share capital RM
28.02.1997	100,000	1.00	Subscribers' shares	100,000
19.09.1997	150,000	1.00	Cash	250,000
25.09.1999	1,250,000	1.00	Cash	1,500,000

### (iii) Subsidiaries and Associated Company

As at the date of this Prospectus, ETC has the following subsidiaries:-

Name of subsidiary	Date/Place of incorporation	Paid-up share capital RM	Effective interest held %	Principal activities
Adtel	23.01.1998 / Malaysia	1,500,000	100.00	Provision of operational support system, development of software and services for communication infrastructure
NGC	18.09.2002/ Malaysia	100,000	100.00 less 2 shares (held directly by DVM)	Development of software application

ETC does not have an associated company as at the date of this Prospectus.

### (iv) Substantial Shareholder

DVM holds 100.0% effective equity interest in ETC.

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**5. INFORMATION ON THE DVM GROUP (Cont'd)**

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**5.8 Landed Properties**

The DVM Group does not own any landed property as at the date of this Prospectus.

**5.9 Approvals, Major Licences, Awards and Permits Obtained**

**(i) Approval for MSC Status**

NGC has been accorded with MSC status on 20 November 2002 and has complied with all the conditions of the MSC status.

**(ii) Approval for Listing**

DVM's Listing is subject to the approval from the following authorities:-

- (a) MITI, which approval was obtained on 15 April 2003;
- (b) SC, which approval was obtained on 21 July 2003; and
- (c) KLSE, which approval was obtained on 22 July 2003.

The approvals were subject to the conditions as set out in Section 6.6 of this Prospectus.

**(iii) Licences and Permits**

The business activities of the Group are not governed by the Malaysian Communications and Multimedia Commission despite the fact that the DVM Group provides products and services to the telecommunication industry. Presently, the Group's business activities do not require any special permit/or licence from any authorities.

**(iv) Certificate**

DVM obtained its certificate of commencement of business on 18 April 2003.

**(v) Registration of Intellectual Properties Rights**

The DVM Group has filed registration to protect the intellectual property of e-Petra<sup>TM</sup> and NE-Proviso<sup>TM</sup> on 21 March 2003, and Genico<sup>TM</sup> on 5 September 2003 which are currently pending approval. It is envisaged that it will take three (3) years or more for approval of registration.

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**5. INFORMATION ON THE DVM GROUP (Cont'd)****(vi) Awards**

The awards that have been accorded to the DVM Group are as follows:

Year	Award
1998	ETC was awarded:- <ul style="list-style-type: none"><li>• “Outstanding Achievement Award” – IBM Asean – IBM Networking</li><li>• “Top IBM Reseller, Malaysia Award” – IBM Asean/Southeast Asia Business Partners</li></ul>
2000	Adtel was awarded:- <ul style="list-style-type: none"><li>• HP Star Certification – Technical Excellence in HP9000 Servers &amp; Workstations</li><li>• HP Asia Pacific – Best in Class Reseller 2000</li></ul>
2001	Adtel was awarded:- <ul style="list-style-type: none"><li>• HP Premier Business Partner (Commercial)</li></ul>

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