

www.dvm.com.my

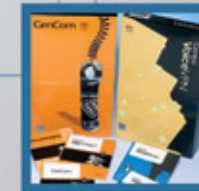
DVM Technology Berhad
(609953-K)

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DVM
TECHNOLOGY

DVM Technology Berhad (609953-K)



Annual Report
2004



people and technology





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annual report 2004

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corporate vision

To be a transnational group of companies in the provision of leading edge technology for total business and operational solutions.

corporate mission

- Towards attaining total customers' satisfaction.
- Increasing the intrinsic value of the company for our stakeholders.
- Provide opportunities for mutual growth and benefits to our intellectual capital.
- Towards efficient and effective utilisation of allocated resources through continuous improvement and innovation.

corporate values

- Conducts itself in accordance with the highest standards in all relationships with its stakeholders.
- Fosters an environment which encourages pursuits of innovation and diligence amongst staff and rewards accordingly.
- Safe environment to pursue one's cultural and spiritualism through mutual respect and understanding.

corporate goals

- Creation of goodwill by performing outstanding customer service and exceeding their expectations.
- Enhance the individual and collective skills, strength and perspective of our intellectual capital.
- Prudent risk management by being an efficient and effective organisation.
- Promote continuous improvement and innovation.
- Provide an avenue to develop and exercise leadership qualities.

corporate information

BOARD OF DIRECTORS

Gen (R) Tan Sri Abdul Rahman
Bin Abdul Hamid
Independent Non-Executive Chairman

Dato' Goh Kian Seng
Managing Director

Chen Chee Peng
Executive Director

Lee Chiew Hooi
Executive Director

Vinai Phongsathorn
Executive Director

Bhana Swasdibutara
Executive Director

Kusol Sangkananta
Executive Director

Kamarudin Bin Ngah
Independent Non-Executive Director

Lum Heap Sum
Independent Non-Executive Director

AUDIT COMMITTEE

Kamarudin Bin Ngah
Chairman

Lum Heap Sum
Member

Lee Chiew Hooi
Member

REMUNERATION COMMITTEE

Lum Heap Sum
Chairman

Kamarudin Bin Ngah
Member

Chen Chee Peng
Member

COMPANY SECRETARY

Pang Kah Man (MIA 18831)

REGISTERED OFFICE

13-7A The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : (03) 2284 1788
Fax : (03) 2284 2688

BUSINESS ADDRESS

Suite 3A-7, Level 7 Block 3A
Plaza Sentral, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel : (03) 2273 3868
Fax : (03) 2273 3863
Website: www.dvm.com.my
E-mail : lee@dvm.com.my

SHARE REGISTRAR

Shareworks Sdn Bhd
23, Jalan Sri Hartamas 7
Sri Hartamas
50480 Kuala Lumpur

AUDITORS

Deloitte & Touche
Level 19 Uptown 1
1, Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan

SOLICITORS

Ainul Azam & Co.
Suite 6.01C, South Block
The AmpWalk
218, Jalan Ampang
50450 Kuala Lumpur

PRINCIPAL BANKERS

Malayan Banking Berhad
Citibank Berhad
RHB Bank Berhad

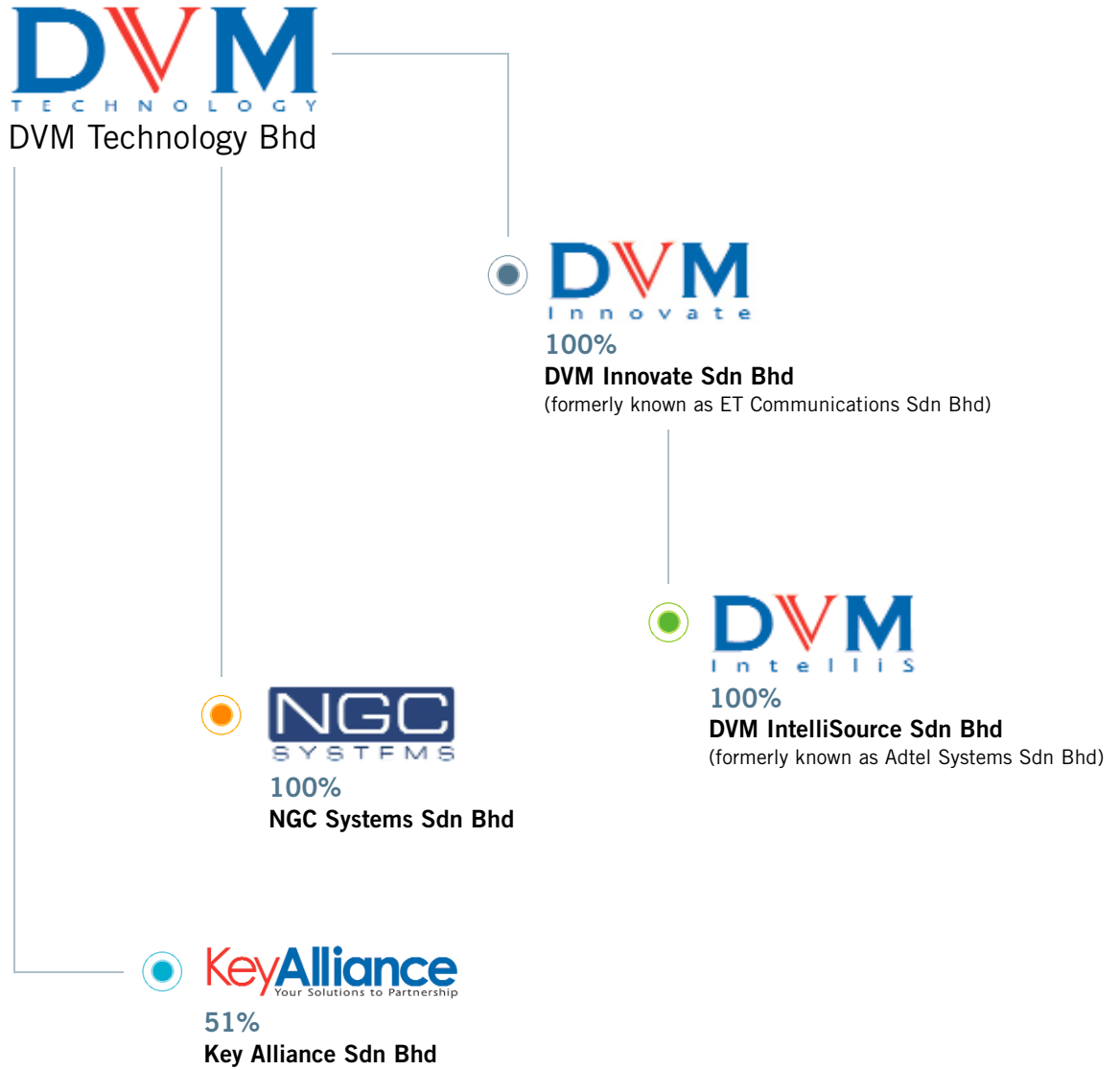
SPONSOR

Public Merchant Bank Berhad
25th Floor, Menara Public Bank
146, Jalan Ampang
50450 Kuala Lumpur
Tel : (03) 2166 9382
Fax : (03) 2166 9386

STOCK EXCHANGE LISTING

MESDAQ Market
Bursa Malaysia Securities Berhad
(Formerly known as Malaysia Securities
Exchange Berhad)
Company Name : DVM
Stock Code : 0036

corporate structure



corporate milestone

January 2, 2004

DVM Technology Bhd listed on Malaysian Exchange Of Securities Dealing & Automated Quotation (MESDAQ) Market of Bursa Malaysia Securities Berhad.

January 14, 2004

NGC Systems Sdn Bhd is admitted to the HP OpenCall Partner Program by Hewlett Packard, marking NGC Systems as the first HP Independent Software Vendor (ISV) Partner in South East Asia.

March 29, 2004

DVM Technology Bhd's first Annual General Meeting held at Kuala Lumpur Golf and Country Club.

April 13, 2004

NGC Systems showcased Genico™ at the MSC Flagship Centre and Centre for Health Innovation and Medical Enterprises (CHIME) at Cyberjaya.

April 23, 2004

NGC Systems unveiled Genico™ 1.2, an advanced IP Communication technology and its suite of communication applications intended for telecommunication providers, carriers, mobile operators and large multi national enterprises. The Genico™ Moving Ahead with Convergence event was well attended by more than 200 business partners and strategic technology allies at the Santini, Suria KLCC, Kuala Lumpur.

April 29 - 30, 2004

NGC Systems was one of 18 selected Malaysian enterprises invited to demonstrate its innovation at the first edition of the National Innovation Summit 2004 at the Palace of Golden Horses, Kuala Lumpur.

May 15, 2004

NGC Systems Sdn Bhd moves into its new R&D Centre at Technology Park Malaysia, Bukit Jalil, Kuala Lumpur.

The new R&D Centre is 2,440 square feet and currently houses 19 staff.

August 11, 2004

Genico™ was showcased at the IBM Solutions Expo 2004 at Kuala Lumpur.

September 16, 2004

DVM embraced a bigger home at Plaza Sentral Kuala Lumpur. The Group's new corporate headquarters occupies 8,060 square feet and centrally located in the bustling metropolitan city of Kuala Lumpur.

September 2004

The Malaysian Information and Communication Technology (ICT) industry via the Association of Computers and Multimedia Industry Malaysia (PIKOM) has announced NGC Systems as one of three nominees for its "Emerging ICT Company of the Year", PIKOM-Computimes ICT Awards 2004.

September 2004

PIKOM has singled NGC Systems Chief Technology Officer Owen Chen as one of four nominees to be recognised as the "The Technopreneur of the Year" at the prestigious PIKOM-Computimes ICT Awards 2004.

October 2004

Genico™ IPCentrex Telco Edition was one of four nominees in the "Best Communications Application Award" category for the MSC-Asia Pacific ICT Awards (MSC-APICTA) 2004.

November 7, 2004

The Group organised its first Outdoor Team Building 2005, at Allson Klana Resort Seremban, Negeri Sembilan, with a full turnout.

December 7, 2004 - December 6, 2006

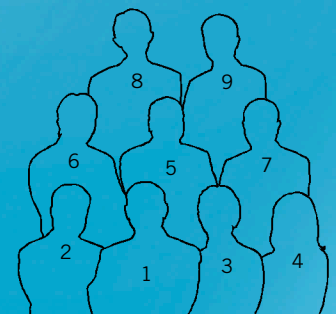
Genico™ is showcased as part of Malaysia's year-long MSC Products & Services Showcase, located at the Jeddah Chamber of Commerce & Industry Building, Jeddah, Saudi Arabia.

DVM

TECHNOLOGY

board of directors

1. Gen (R) Tan Sri Abdul Rahman Bin Abdul Hamid
(Independent Non-Executive Chairman)
2. Dato' Goh Kian Seng
(Managing Director)
3. Chen Chee Peng
(Executive Director)
4. Lee Chiew Hooi
(Executive Director)
5. Kamarudin Bin Ngah
(Independent Non-Executive Director)
6. Bhana Swasditbutara
(Executive Director)
7. Kusol Sangkananta
(Executive Director)
8. Vinai Phongsathorn
(Executive Director)
9. Lum Heap Sum
(Independent Non-Executive Director)



profile of directors

GEN (R) TAN SRI ABDUL RAHMAN BIN ABDUL HAMID

Gen (R) Tan Sri Abdul Rahman Bin Abdul Hamid, aged 66, a Malaysian was appointed the Chairman of DVM on 4 November 2003. Currently, he is the Chairman of Perbadanan Perwira Harta Malaysia, a subsidiary of Lembaga Tabung Angkatan Tentera ("LTAT"), provident fund for members of the Malaysian Armed Forces mainly in property development and construction. He is also the chairman and director of a few other multinational and private companies established in Malaysia. He is a graduate of the Royal Military College, Malaysia and Army Staff College in Camberley, United Kingdom.

Gen (R) Tan Sri Abdul Rahman Bin Abdul Hamid is also the Chairman for Jaya Tiasa Holdings Berhad, another public corporation in Malaysia.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has no convictions for offences within the past 10 years.

DATO' GOH KIAN SENG

Dato' Goh Kian Seng, aged 43, a Malaysian, was appointed the Managing Director of DVM on the 8 August 2003. Dato' Goh obtained his degree in Chemical Engineering from Universiti Malaya and he also holds a Masters in Business Administration from Southern Cross University, Australia. He oversees the management, marketing and direction of the DVM Group. He has been in the Computing, Data and Telecommunications industry since 1983.

He does not have any family relationship with any director and/or major shareholder of the Company and has no convictions for offences within the past 10 years.

CHEN CHEE PENG

Chen Chee Peng, aged 42, a Malaysian was appointed to the Board on 8 August 2003. He obtained his Bachelor of Science in Computer & Information Science from Ohio State University, USA in 1987. He specialises in communication infrastructure development in the telecommunication industry and has 17 years experience in the IT industry. He is responsible for the business direction and strategies of the DVM Group and oversees the day-to-day operations of the DVM Group. He is a member of the Remuneration Committee.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no convictions for offences within the past 10 years.

profile of directors

LEE CHIEW HOOI

Lee Chiew Hooi, aged 33, a Malaysian was appointed to the Board on the 8 August 2003. She is responsible for DVM's financial and administrative matters. She is a graduate from the University of Western Australia with a Bachelor of Commerce and a member of the CPA Australia and the Malaysian Institute of Accountants. Ms Lee is a member of the Audit Committee.

She does not have any family relationship with any director and/or major shareholder of the Company. She has no conflict of interest with the Company and has no convictions for offences within the past 10 years.

VINAI PHONGSATHORN

Vinai Phongsathorn, aged 50, a Thai national was appointed to the Board on 8 August 2003. He is the Chief Executive Officer of Datamat Public Company Limited ("Datamat"), a public listed company in Thailand. He obtained his Bachelor of Economics from Thammasat University, Thailand in 1975 and Masters in Business Administration from Florida State University, USA in 1976.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has no convictions for offences within the past 10 years.

BHANA SWASDIBUTARA

Bhana Swasdibutara, aged 45, a Thai national was appointed to the Board on 24 February 2004. He is presently the Managing Director of Datamat. He obtained his Bachelor of Electrical Engineering from Kasetsari University, Thailand and a Masters in Business Administration from ABAC University, Thailand in 1983 and 1986 respectively.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has no convictions for offences within the past 10 years.

profile of directors

KUSOL SANGKANANTA

Kusol Sangkananta, aged 45, a Thai national was appointed to the Board on 24 February 2004. He is a Director and the Company Secretary of Datamat. He is also the Managing Director of Attorney's Corp in Thailand. He obtained his Bachelor of Laws from the Chulalongkorn University, Thailand in 1981 and was called to the Thai Bar Association in 1981.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has no convictions for offences within the past 10 years.

KAMARUDIN BIN NGAH

Kamarudin Bin Ngah, aged 56, a Malaysian was appointed to the Board on 4 November 2003. Kamarudin obtained his Diploma in Civil Engineering from the Johore Technical Institute in 1970. Currently, he is the Managing Director of Maha Mekar Sdn Bhd, a company principally involved in spiral waste bin storage and handling systems. En Kamarudin is the Chairman of the Audit Committee and a member of the Remuneration Committee.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has no convictions for offences within the past 10 years.

LUM HEAP SUM

Lum Heap Sum, aged 38, a Malaysian was appointed to the Board on 4 November 2003. Lum is the Managing Director of Eminentz Grez Consulting Sdn Bhd, a company principally involved in human resource management consultancy. He graduated with a Bachelor of Economics Analysis and Public Policy degree and a Masters in Economics (majoring in Labour Economics), both from the Universiti Kebangsaan Malaysia in 1990 and 1998 respectively and obtained his Bachelor of Law (LL.B) degree with honours in 1991 from the University of London, and a Doctorate in Management from the Summit University of Louisiana, USA in 1999. He sits as a member of the Audit Committee and chairs the Remuneration Committee.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has no convictions for offences within the past 10 years.



chairman's message

Powering Communications



GEN (R) TAN SRI ABDUL
RAHMAN BIN ABDUL HAMID
Chairman

chairman's message

It is my pleasure, on behalf of the Board of Directors, to present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ending September 30, 2004.

The year under review witnessed the occurrence of several events which has adversely affected the global business climate and have stressed many business sectors. Despite these adversities, our Group continues to grow financially, building market share and has performed reasonably well.

OVERVIEW

The Group has performed to expectations, with our international and domestic expansion plans quickly taking shape. We continue to be research and development (R&D)-centric and have started to commercialise our technology with our flagship product Genico™ launched in April 2004.

The market acceptance momentum for our technology has begun in earnest. The response has been encouraging. As an indicator of growing customer confidence, we've secured several domestic and international projects for Genico™.

We are also exploring avenues to market directly to customers in a new joint venture partnership. We have incorporated Key Alliance Sdn Bhd with a 51 per cent equity ownership.

LISTED ON MESDAQ

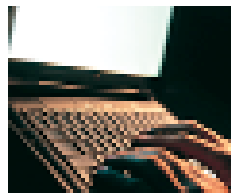
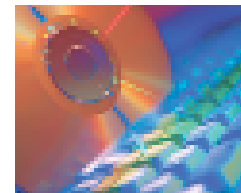
DVM Technology Bhd was successfully listed on Bursa Malaysia Securities Bhd's Malaysian Exchange Of Securities Dealing & Automated Quotation (MESDAQ) Market on January 2, 2004.

FINANCIAL HIGHLIGHTS

The Group's turnover in the financial year 2003/ 2004 is at RM11.47 million, compared with RM13.92 million in the previous financial period. The group recorded a Profit Before Tax (PBT) position of RM0.94 million, a difference of RM0.51 million to the previous financial period of RM1.45 million.

Our Group's expansion plans are in high gear necessitating corporate realignment, new investments, increased R&D expenditure and operating expenses. These plans have also stressed our human resources which have substantially increased by 65 per cent, from 44 to 73 knowledge workers as of September 30, 2004.

Understandably, such activities have correspondingly weighed down our group's turnover and PBT. However this situation is expected to alleviate in the near future. In addition, the Group has enjoyed higher demand for our technology maintenance and value added services contracts. This increase has helped to boost our Group's turnover.



chairman's message

The Group's R&D investments have increased by 284 per cent to RM2.98 million this financial year from RM0.14 million in the last period.

CORPORATE DEVELOPMENTS

In order to house a larger team and secure the optimum infrastructure for Genico™, the Group has purchased and is now operating from its new premises at Plaza Sentral, Kuala Lumpur. The new premise is also a strategic venue to showcase Genico™, as proof of its technological advantages to visiting customers, dignitaries and VIPs. Our Group's corporate headquarters occupies 8,060 sq ft and within walking distance to KL Sentral, the newly designated transportation hub of Kuala Lumpur.

The new premise houses the entire Group with the exception of the R&D team.

The Group has recently completed a corporate re-alignment exercise to sharpen our cohesiveness and strengthen corporate brand identity:

- DVM Innovate Sdn Bhd (*formerly ET Communications Sdn Bhd*) is a communications system integrator

focuses on IP communications solutions, enterprise and network communication solutions and business and operational support systems for enterprises.

- DVM IntelliSource Sdn Bhd (*formerly Adtel Systems Sdn Bhd*) is an Outsourcing Service Provider catering to clients like technology principals and solution providers to architect and manage the implementation of large or complex business and operational solutions.
- NGC Systems Sdn Bhd is the Group's R&D arm and focuses on breaking new grounds in the area of converged communication technology.
- Key Alliance Sdn Bhd is a solution distributor and bridges small and medium sized industries with affordable communication solutions for small-to-medium sized enterprises.

UTILISATION OF PROCEEDS

As of 30 September 2004, the Group had utilised approximately 54% of the total proceeds raised from its right issue and Initial Public Offering. The status of the utilisation of proceeds is as follows:

	Proposed Utilisation Of proceeds RM'000	Amount utilised as of 30 September 2004 RM'000
Branding and Promotion	624	435
Research and Development	7,500	3,528
Repayment of Bank Borrowings	2,500	2,500
Project Financing	6,000	962
Working Capital	2,250	2,250
Listing Expenses	1,178	1,178
Refurbishment costs for the New Office	598	225
Total	20,650	11,078

chairman's message

TECHNOLOGY EXCELLENCE

It has been an extremely fulfilling year and we're proud to share the Group's highlights of our technological excellence during the year:

- In February 2004, NGC Systems Sdn Bhd was accorded a new status by Hewlett Packard Asia Pacific Pte Ltd as a HP Asia Pacific Open Call Partner. This is a research and development partnership program having strict entry requirements. It affords us with access to Hewlett Packard's wealth of technological expertise and global marketing program. Genico™ is showcased in HP OpenCall Application Portfolio 2004.
- In March 2004, DVM IntelliSource Sdn Bhd (*formerly known as Adtel Systems Sdn Bhd*)'s stellar achievements in the past year were acknowledged by Hewlett Packard as its 'Value Added Reseller of the Year'.
- In March 2004, the Group's R&D team has shifted to a bigger premise at Technology Park Malaysia, Bukit Jalil with a current staff capacity of 19. The R&D team is expected to grow in tandem with the Group's expansion plans.
- In November 2004, the newly launched Genico™ IPCentrex was recognised during the prestigious Multimedia Super Corridor-Asia Pacific ICT Awards (MSC-APICTA) as *Best of Communication Applications* finalist.
- In December 2004, at the 16th PIKOM-Computimes ICT Awards 2004, NGC Systems Sdn Bhd and our

Group's Chief Technology Officer Owen Chen Chee Onn enhanced our prestige and did us proud. NGC Systems was recognised as an *Emerging Company of the Year* finalist while Chen as the *Technopreneur of the Year* finalist.

- In December 2004, we have the distinction of being the Malaysian ICT company to showcase telecommunications and networking solutions at the *MSC Products & Services Showcase*, in Jeddah Saudi Arabia. Our technology is on permanent display until year end 2006.

Our R&D activities have begun to bear fruits with 12 new Next Generation Network (NGN) and communication applications, which are now productised as:

1. Genico™ IP Communications
2. Genico™ Unified Communications
3. Genico™ Video and Voice Conferencing
4. Genico™ ClickToTalk
5. Genico™ MRBT

These technological accomplishments have brought several new alliances with global leaders in the field of communication and desktop computing and enterprise software.

The Group has also gained Intellectual Property ownership of the trademark Genico™ and GenCom™. Both these trademarks will be used to commercialise technological innovations stemming from Group's R&D activities. Genico™ solutions are intended for service providers and large enterprises while GenCom™ products are for the small and medium-sized enterprises.





PROSPECTS

The impending prospect looks exceedingly bright as we move forward. The industry is expected to move towards the direction of convergence communications whereby costs, scalability, manageability and ease of use are key points. In past year, we've built an extremely stable foundation. We're now leveraging on that foundation infused with our technical prowess and market understanding to gain a foothold in the global NGN communication and telephony market.

To date, we have successfully introduced our technology and services to regions like Asia Pacific, Middle East and Africa. Such exciting efforts will run in parallel with our continuous research and development activities. We are constantly striving to break new grounds, ideas and raise the bar. The momentum is building and barring unforeseen

circumstances, the Group expects to turn on a better performance in the next financial year.

ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the board, I wish to express sincere thanks and appreciation to the management, technologists and staff for their hard work, support and dedication to the Group. I thank our customers, business partners, technology partners, financiers and shareholders for their strong continued support and valuable feedback. Lastly, I also wish to record my thanks to my fellow directors for their advice and support.

GEN (R) TAN SRI ABDUL RAHMAN BIN ABDUL HAMID
Chairman

24 February 2005

corporate governance statement

The Board recognised the importance of corporate governance requirements outlined in the Malaysian Code of Corporate Governance. The following statement described the application of the principles and extent of compliance with the best practices.

1. DIRECTORS

1.1 Composition of Board

The Board has nine members, consisting of one (1) Independent Non-Executive Chairman, six (6) Executive Directors and two (2) Independent Non-Executive Directors. The current Board composition complies with the Listing Requirements of the Bursa Securities for MESDAQ Market.

The profiles of the members of the Board are provided in this Annual Report on page 6 to 8.

All the non-Executive Directors are independent of Management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. The wide spectrum of knowledge, skills and experience of the Board gives added strength to the leadership which is necessary for the effective stewardship of the Group.

1.2 Board Responsibilities

The Board comprised of professionals from various experience and qualification in technology, financial, human resources and business management. The Board believes that this current composition has the required collective skills for the Board to provide clear and effective leadership to the Company.

The Board is responsible for the following:

- Strategic direction including the formulation of medium and long term goals for the Group.
- Overseeing the conduct of the Company's business, resources and investment of the Group.

The Board has delegated certain responsibilities to the Board Committees, i.e. Audit Committee and Remuneration Committee, all of which operate within defined terms of reference. All these Board Committees report to the Board on all matters considered and their recommendations.

1.3 Access to Information and Advice

The Board members have access to the advice and services of the Company Secretary and senior management staff. The Company Secretary is responsible for ensuring the Board meetings procedures are followed and that applicable rules and regulations are complied with.

Where necessary, the Directors may seek independent professional advice at the Group's expense in order to discharge their duties and responsibilities effectively.

corporate governance statement

1.4 Appointment to the Board

The Board appoints its members through a formal and transparent selection process which is consistent with the Articles of Association of the Company. This process has been reviewed, approved and adopted by the Board. The Company Secretary will ensure that all appointments are properly made and that legal and regulatory obligations are met.

1.5 Re-election of Directors

In accordance with Article of 81 of the Company's Articles of Association, one-third (1/3) of the Directors, except for the Managing Director shall retire from office and be eligible for re-election at each Annual General Meeting ("AGM"). All Directors, except for Managing Director shall retire from office once in every three (3) years but shall be eligible for re-election.

Directors appointed by the Board during the financial year shall be subject to retirement and re-election by shareholders in the next AGM held following their appointments.

1.6 Board Meetings

The Board meets regularly on quarterly basis and as and when required.

The Board receives documents on matters requiring its consideration prior to and in advance of each meeting. The Board papers are comprehensive and encompass both quantitative and qualitative factors so that informed decisions are made. All proceedings from the Board meetings are minuted.

During the financial year, six (6) meetings were held in which the Board deliberated upon and considered various issues including the Group's financial results, performance of the Group's business, major investment, operation decisions, business plan and policies and strategic issues affecting the Group's business.

The Summary of attendance at the Board Meetings held for the financial year ended 30 September 2004:

Directors	Attendance
Gen (R) Tan Sri Abdul Rahman Bin Abdul Hamid	6/6
Dato' Goh Kian Seng	6/6
Chen Chee Peng	6/6
Lee Chiew Hooi	6/6
Vinai Phongsathorn	4/6
Bhana Swasdibutara (Appointed on 24/02/2004)	4/4 *
Kusol Sangkananta (Appointed on 24/02/2004)	4/4 *
Kamarudin Bin Ngah	5/6
Lum Heap Sum	6/6

* Reflect the attendance and number of meetings during the period the Director held office.

corporate governance statement

1.7 Directors' Training

All Directors of the Company have attended Bursa Securities's Mandatory Accreditation Programme ("MAP") during the financial year. The Board of Directors will also on a continuous basis, evaluate and determine the training needs of the Directors in discharge of his/her duties as a Director.

2. DIRECTORS' REMUNERATION

The Remuneration Committee obtains independent advice on the appropriateness of remuneration packages. Individual Directors are required to abstain from discussion on their own remuneration. The determination of the remuneration of Non-Executive Directors is a matter for the Board as a whole.

2.1 Remuneration Committee

The members of the Remuneration Committee are as follow:

Lum Heap Sum (Chairman)	-	Independent Non-Executive Director
Kamarudin Bin Ngah (Member)	-	Independent Non-Executive Director
Chen Chee Peng (Member)	-	Executive Director

The Remuneration Committee met once during the course of financial year.

2.2 Directors' Remuneration

The remuneration of Directors for the financial year ended 30 September 2004 was as follow:

	Directors' Fee (RM)	Directors' Salaries and Other emoluments (RM)	Total (RM)
Executive Directors	-	863,520	863,520
Non-Executive Directors	72,000	-	72,000
Total	72,000	863,520	935,520

corporate governance statement

The number of Directors whose total remunerations falls within the following bands are as follow:

Remuneration Band (in RM per annum)	Executive Directors	Non-Executive Directors
300,001 - 500,000	1	-
200,001 - 300,000	1	-
100,001 - 200,000	1	-
Below 50,000	-	3

3. ACCOUNTABILITY AND AUDIT

3.1 Financial Reporting

The Board aims to provide and present a balanced, clear and meaningful assessment of the Group's financial position and prospects, through the Financial Statements and the Chairman's Message in the Annual Report.

The Directors have the responsibility of ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and the Company and which ensures that the financial statements comply with the Companies Act, 1965.

3.2 Internal Control

The Board of Directors is responsible for the Group's system of internal control which supports effective and efficient operations and compliance with laws and regulations.

Information pertaining to the Company's internal control is presented in the Statement of Internal Control laid out on page 21 of this Annual Report.

3.3 Relationship with Auditors

The Company works closely with external auditors and maintains a transparent relationship with them in seeking professional advice and ensuring compliance with applicable approved accounting standards and statutory requirements.

The external auditors hold an essential role for the shareholders by enhancing the reliability of the Company's financial statements and providing assurance of the reliability to users of these financial statements.

corporate governance statement

3.4 The Audit Committee

The Board has set up an Audit Committee, which composition is in compliance with the relevant regulatory requirements. The report of the Audit Committee is laid out on pages 19 to 20.

3.5 Directors' responsibility statement in respect of financial statements

The Directors have the responsibilities of ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and of the Company and which ensures that the financial statements comply with the Companies Act, 1965. The Directors also consider all applicable approved accounting standards have been followed and confirm that the financial statements have been prepared on a going concern basis.

4. SHAREHOLDERS

4.1 Dialogue between the Company and Investors

The Company acknowledges the importance of keeping the shareholders and investors informed of the Group's business and corporate developments. Such information is disseminated via the Group's annual reports, quarterly financial results and the various announcements made from time to time. Shareholders and investors may obtain the Company's latest announcement via the Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad)'s website at www.bursamalaysia.com.my.

Apart from those mandatory announcements to Bursa Securities, the Group also provides the website (www.dvm.com.my) to provide public access, business activities and recent developments and for feedback for shareholders as well as interested investors.

4.2 Annual General Meeting (AGM)

The AGM is the principal forum for dialogue with individual shareholders where the shareholders are given the opportunity to ask questions during the question and answer session.

audit committee report

The Audit Committee was formed by the Board on 6 November 2003.

Members of the Audit Committee

The members of the Audit Committee, appointed by the Board, are as follows:

Encik Kamarudin Bin Ngah (Chairman)	-	Independent Non-Executive Director
Mr. Lum Heap Sum (Member)	-	Independent Non-Executive Director
Ms. Lee Chiew Hooi (Member)	-	Executive Director

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

(1) Composition of the Audit Committee

The Audit Committee shall be appointed by the Board of Directors from among their number and shall be composed of not fewer than 3 members of whom a majority shall be independent non-executive directors. The Board shall at all times ensure that at least one (1) member of the Committee shall be:-

- a member of the Malaysian Institute of Accountants (MIA); or
- If he or she is not a member of MIA, he or she must have at least three (3) years of working experience and :-
 - he or she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - he or she must be a member of the associates of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

The members of the Audit Committee shall elect a Chairman from among their number who is not an executive director or employee of the Company or any related corporation. The Chairman elected shall be subject to endorsement by the Board.

If a member to the Audit Committee for any reason ceases to be a member with the results that the number is reduced to below 3, the Board of Directors shall, within 3 months of that event, appoint such number of new members as may be required to make up the minimum number of 3 members.

(2) Quorum and Committee's procedures

The Committee will meet at least once a quarter and such additional meetings, as the Chairman shall decide in order to fulfill its duties. In addition, the Chairman may call a meeting of the Committee if a request is made by any Committee Member, the Company's Managing Director, the external auditors or the internal auditors where applicable. The Chairman may appoint a Secretary responsible for keeping the minutes of meetings of the Committee, and circulating them to Committee members and to other members of the Board of Directors. A quorum shall consist of a majority of Committee members who must be independent director(s).

audit committee report

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Audit Committee are as follow:

1. to review and recommend the appointment of the external auditors, the audit fees and any other related matters;
2. to review the adequacy of existing external audit arrangements, with particular emphasis on the scope and quality of the audit;
3. to review the external auditors' report;
4. to review the financial statements with both the external auditors and management;
5. to review the effectiveness of the internal audit function, internal control and management information systems;
6. to review all areas of significant financial risks and the arrangements in place to contain those risks to acceptable levels; and
7. to review all related party transactions and potential conflict of interest situations.

SUMMARY OF ACTIVITIES

The Committee had three meetings during the financial year, which were attended by all members of the Committee except for Encik Kamarudin Bin Ngah who was absent with apologies on the first meeting.

During the financial year, the Audit Committee had carried out the following activities:-

- review of the quarterly financial statements and announcements;
- review of the audited audit report together with the external auditors' management letter;
- review the internal audit plan;
- review the related party transactions; and
- review the circular of recurrent related party transactions.

INTERNAL AUDIT FUNCTION

During the year, the Audit Committee's audit plan includes review of quarterly financial statements, review for improvement of the internal controls processes and risk assessment framework.

The Company had outsourced its internal audit function to an independent professional firm. The internal auditors will conduct reviews on the risk assessment and internal audit reviews.

For the purposes of improvements in internal controls, the Company had also engaged a consultant firm to review the internal process for better efficiency and effectiveness.

Both activities are on-going and the audit plan is being continuously updated to accommodate the changes in the assessment of risk to ensure that proper direction and focus of the business processes are not interrupted.

statement on internal control

BOARD RESPONSIBILITY

The Board acknowledges the importance of sound internal control and good risk management practices to good corporate governance. The Board affirms its overall responsibility to maintain and review the adequacy and integrity of the system of internal control. However, such a system is designed to manage risk rather than to eliminate the business risk totally. It should be noted that any system could provide only reasonable, and not, absolute assurance against material misstatement.

The Group has implemented an on-going process to identify, evaluate, monitor and manage any significant risks through internal controls set out to attain a reasonable assurance that business objectives have been met. These controls are regularly reviewed.

KEY PROCESSES

The Board exercises control through an organisation structure with clearly defined level of responsibility, authority and appropriate reporting procedures.

Salient features of the key processes of the system of internal control of the Group are as follow:

1. Defined delegation of responsibilities to Board Committees, namely Audit Committee and Remuneration Committee and to operation units, including authorisation levels for all aspects of the business.
2. Executive Directors and heads of departments regularly monitor the operational, management issues, financial performance and indicators focusing on the evaluation of applicable risks.
3. Well-documented Group wide policies, procedures and standards are currently being established to further strengthen the internal control system. These documents will be kept updated in accordance with changes in operating environment.
4. The reviews of quarterly and annual financial reports are conducted by the Audit Committee.
5. There is an on-going process for identifying, evaluating and managing the significant risks faced by the Group associated with all the business entities within the Group and up to date of approval of the annual report and financial statements.

The systems of internal control were satisfactory. During the financial year, no significant breakdown or weaknesses in the systems of internal controls of the Group that have resulted in material losses or contingencies requiring disclosure in the Annual Report. The Board and the management continue to take necessary measures to strengthen its internal control environment.

additional compliance information

Material Contracts

There were no material contracts entered into by the Company and its subsidiary companies which involved Directors' and substantial shareholders' interested either still subsisting at the end of the financial year ended 30 September 2004 or entered into since the end of the previous financial period.

American Depository Receipts (ADR) and Global Depository Receipts (GDR)

The Company has not sponsored any ADR or GDR programme for the financial year.

Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company or its subsidiaries, Directors or Management by relevant regulatory bodies during the financial year.

Share Buybacks

There was no share buyback of the Company's own shares during the financial year.

Options, Warrants or Convertible Securities

There was no exercise of option, warrant or convertible securities during the financial year.

Recurrent Related Party Transactions of a Revenue or Trading Nature

Details of transactions with related parties undertaken by the Group during the financial year under review are disclosed in page 63 and 64.

Profit Estimate, Forecast or Projection

The Company did not make any release on profit estimates, forecast or projections during the financial year.

Profit Guarantee

The Company did not issue profit guarantee during the financial year.

Revaluation Policy

The Company and the Group did not revalue any of its property, plant and equipment.



financial statements

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directors' report

The directors of **DVM TECHNOLOGY BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30th September, 2004.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiary companies are as disclosed in Note 12 to the Financial Statements.

There has been no significant change in the nature of the principal activities of the Company and of its subsidiary companies during the financial year.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Profit before tax	936,937	62,315
Income tax expense	(193,837)	(50,000)
Profit after tax	743,100	12,315
Minority interest	104,677	-
Net profit for the year	<u>847,777</u>	<u>12,315</u>

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the previous financial period. The directors also do not recommend any dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

directors' report

ISSUE OF SHARES AND DEBENTURES

As approved by the shareholders at the Extraordinary General Meeting held on 26th December, 2003, the issued and paid up share capital of the Company was increased from RM12,000,000 to RM16,000,000 by way of a public issue of 40,000,000 new ordinary shares of RM0.10 each at RM0.40 per share, in conjunction with the listing of the Company on the MESDAQ Market of Bursa Malaysia Securities Berhad.

The resulting premium of RM12,000,000 has been credited to the share premium account.

The new shares issued rank pari passu with the then existing shares of the Company.

The Company has not issued any debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER FINANCIAL INFORMATION

Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad receivables and the making of allowance for doubtful receivables, and had satisfied themselves that no known bad receivables need to be written off and that adequate allowance has been made for doubtful receivables; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would require the writing off of bad receivables or render the allowance for doubtful receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
 - (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.
-

directors' report

OTHER FINANCIAL INFORMATION *(cont'd)*

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

DIRECTORS

The directors who served on the Board of the Company since the date of the last report are:

Dato' Goh Kian Seng
Chen Chee Peng
Lee Chiew Hooi
Vinai Phongsathorn
Gen (R) Tan Sri Abdul Rahman Bin Abdul Hamid
Kamarudin Bin Ngah
Lum Heap Sum
Bhana Swasdibutara (appointed on 24.2.2004)
Kusol Sangkananta (appointed on 24.2.2004)
Manoo Ordeedolchest (resigned on 24.2.2004)
Kamol Piriyanish (resigned on 24.2.2004)

In accordance with Article 81 of the Company's Articles of Association, Messrs. Chen Chee Peng, Lee Chiew Hooi and Vinai Phongsathorn retire by rotation and, being eligible, offer themselves for re-election.

Messrs. Bhana Swasdibutara and Kusol Sangkananta retire in accordance with Article 81 of the Company's Articles of Association and, being eligible, were duly re-elected at the last Annual General Meeting held on 29th March, 2004.

directors' report

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were directors at the end of the financial year as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Number of Ordinary Shares of RM0.10 each			Balance as of 30.9.2004
	Balance as of 1.10.2003	Bought	Sold	
Shares in the Company				
Registered in name of director				
Dato' Goh Kian Seng	25,992,000	-	-	25,992,000
Chen Chee Peng	8,819,999	-	(2,529,900)	6,290,099

None of the other directors in office at the end of the financial year, held shares or have beneficial interest in the shares of the Company or its related companies during and at the end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial period, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by directors as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

HOLDING COMPANY

Pursuant to the listing of the Company on the MESDAQ Market of Bursa Malaysia Securities Berhad on 2nd January, 2004, the Company ceased to become a subsidiary company of Datamat Public Company Limited, a company incorporated in Thailand.

directors' report

AUDITORS

The auditors, Messrs. Deloitte & Touche, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

DATO' GOH KIAN SENG

CHEN CHEE PENG

Kuala Lumpur
19th January, 2005

report of the auditors to the members

We have audited the accompanying balance sheets as of 30th September, 2004 and the related statements of income, cash flows and changes in equity for the year then ended. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the state of affairs of the Group and of the Company as of 30th September, 2004 and of the results and the cash flows of the Group and of the Company for the year ended on that date; and
 - (ii) the matters required by Section 169 of the Act to be dealt with in the financial statements and in the consolidated financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements, and we have received satisfactory information and explanations as required by us for these purposes.

Our auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment under Sub-section (3) of Section 174 of the Act.

DELOITTE & TOUCHE
AF 0834
Chartered Accountants

ROSITA TAN
1874/9/06 (J)
Partner

19th January, 2005

income statements

for the year ended 30 September 2004

(With comparative figures for the period 25 March, 2003 (date of incorporation) to 30 September, 2003)

	Note	The Group		The Company	
		2004 (12 months) RM	2003 (6 months) RM	2004 (12 months) RM	2003 (6 months) RM
Revenue	5	11,472,326	13,918,356	1,944,000	-
Cost of sales		(5,254,192)	(11,384,300)	-	-
Gross profit		6,218,134	2,534,056	1,944,000	-
Other operating income		12,501	52,906	21,867	-
Distribution expenses		(666,104)	(157,005)	(113,104)	(2,250)
Administrative expenses		(2,162,560)	(196,170)	(641,441)	(1,310)
Other operating expenses		(2,707,908)	(767,371)	(1,347,898)	(15,674)
Profit/(Loss) from operations	6	694,063	1,466,416	(136,576)	(19,234)
Interest income from deposits		270,488	44	220,829	-
Finance costs	8	(27,614)	(17,541)	(21,938)	-
Profit/(Loss) before tax		936,937	1,448,919	62,315	(19,234)
Income tax expense	9	(193,837)	(69,000)	(50,000)	-
Profit after tax		743,100	1,379,919	12,315	(19,234)
Minority interest		104,677	-	-	-
Net profit/(loss) for the year/period		847,777	1,379,919	12,315	(19,234)
Earnings per ordinary share					
- basic (sen)	10	0.56	4.69		

balance sheets

as of 30 September 2004

	Note	The Group		The Company	
		2004 RM	2003 RM	2004 RM	2003 RM
Assets					
Property, plant and equipment	11	5,396,901	905,372	4,082,170	-
Investment in subsidiary companies	12	-	-	8,977,070	7,349,572
Deferred expenditure		-	551,442	-	551,442
Development expenditure	13	2,755,873	129,623	-	-
Current Assets					
Trade receivables	14	20,362,665	15,005,462	-	-
Other receivables and prepaid expenses	15	1,626,808	670,305	381,873	-
Amount owing by former holding company	16	-	8,668	-	-
Amount owing by subsidiary companies	12	-	-	8,667,493	2,672,250
Fixed deposits with licensed banks	17	7,764,446	850,967	6,813,479	-
Cash and bank balances		2,192,709	3,103,205	1,380,881	1,513,112
		31,946,628	19,638,607	17,243,726	4,185,362
Current Liabilities					
Trade payables	18	3,684,715	4,110,697	-	-
Other payables and accrued expenses	18	1,612,583	766,927	205,317	105,610
Amount owing to a subsidiary company	12	-	-	26,859	-
Amount owing to a director	19	160,000	-	-	-
Hire-purchase payable - current portion	20	16,276	41,982	-	-
Bank borrowings	21	821,280	750,000	321,757	-
Term loan - current portion	22	186,267	-	186,267	-
Tax liabilities		50,000	252,171	50,000	-
		6,531,121	5,921,777	790,200	105,610
Net Current Assets		25,415,507	13,716,830	16,453,526	4,079,752

balance sheets

as of 30 September 2004

	Note	The Group		The Company	
		2004 RM	2003 RM	2004 RM	2003 RM
Long-term And Deferred Liabilities					
Hire-purchase payable - non current portion	20	-	17,448	-	-
Term loan - non current portion	22	2,701,272	-	2,701,272	-
Deferred tax liabilities	23	60,000	145,000	-	-
		(2,761,272)	(162,448)	(2,701,272)	-
Net Assets		30,807,009	15,140,819	26,811,494	11,980,766
Represented by:					
Issued capital	24	16,000,000	12,000,000	16,000,000	12,000,000
Share premium	25	10,818,413	-	10,818,413	-
Reserve on consolidation		1,760,900	1,760,900	-	-
Unappropriated profit/(Accumulated loss)		2,227,696	1,379,919	(6,919)	(19,234)
Shareholders' Equity		30,807,009	15,140,819	26,811,494	11,980,766

statement of changes in equity

for the year ended 30 September 2004

	Issued capital RM	Non-distributable reserve - Share premium RM	Reserve on consolidation RM	Distributable reserve - Unappropriated profit RM	Total RM
The Group					
Balance as of date of incorporation	2	-	-	-	2
Shares issued during the period:					
Acquisition of subsidiary companies	7,349,570	-	-	-	7,349,570
Rights issue	4,650,428	-	-	-	4,650,428
Net profit for the period	-	-	-	1,379,919	1,379,919
Arising from acquisition of subsidiary companies	-	-	1,760,900	-	1,760,900
Balance as of 30th September, 2003	12,000,000	-	1,760,900	1,379,919	15,140,819
Shares issued during the year	4,000,000	12,000,000	-	-	16,000,000
Listing expenses	-	(1,181,587)	-	-	(1,181,587)
Net profit for the year	-	-	-	847,777	847,777
Balance as of 30th September, 2004	16,000,000	10,818,413	1,760,900	2,227,696	30,807,009

	Issued capital RM	Non-distributable reserve - Share premium RM	Accumulated loss RM	Total/Net RM
The Company				
Balance as of date of incorporation	2	-	-	2
Shares issued during the period:				
Acquisition of subsidiary companies	7,349,570	-	-	7,349,570
Rights issue	4,650,428	-	-	4,650,428
Net loss for the period	-	-	(19,234)	(19,234)
Balance as of 30th September, 2003	12,000,000	-	(19,234)	11,980,766
Shares issued during the year	4,000,000	12,000,000	-	16,000,000
Listing expenses	-	(1,181,587)	-	(1,181,587)
Net profit for the year	-	-	12,315	12,315
Balance as of 30th September, 2004	16,000,000	10,818,413	(6,919)	26,811,494

The accompanying Notes form an integral part of the Financial Statements.

cash flow statements

for the year ended 30 September 2004

(With comparative figures for the period 25 March, 2003 (date of incorporation) to 30 September, 2003)

Note	The Group		The Company	
	2004 (12 months) RM	2003 (6 months) RM	2004 (12 months) RM	2003 (6 months) RM
Cash Flows From Operating Activities				
Profit/(Loss) before tax	936,937	1,448,919	62,315	(19,234)
Adjustments for:				
Depreciation of property, plant and equipment	411,804	55,488	22,485	-
Allowance for doubtful receivables - net	346,838	234,930	-	-
Amortisation of development expenditure	216,169	4,523	-	-
Interest expense	27,614	17,541	21,938	-
Goodwill on consolidation written off	18,551	-	-	-
Interest income	(270,488)	(44)	(220,829)	-
Property, plant and equipment written off	-	1,314	-	-
Operating Profit/(Loss) Before Working Capital Changes	1,687,425	1,762,671	(114,091)	(19,234)
(Increase)/Decrease in:				
Contract work in progress	-	596,444	-	-
Trade receivables	(5,704,041)	5,866,576	-	-
Other receivables and prepaid expenses	18,747	365,821	(381,873)	-
Amount owing by former holding company	8,668	(4,348)	-	-
Amount owing by subsidiary companies	-	-	(5,995,243)	(2,672,250)
Increase/(Decrease) in:				
Trade payables	(425,982)	(8,926,095)	-	-
Other payables and accrued expenses	777,680	346,906	99,707	105,610
Amount owing to a subsidiary company	-	-	26,859	-
Amount owing to a director	160,000	-	-	-
Cash (Used In)/Generated From Operations	(3,477,503)	7,975	(6,364,641)	(2,585,874)
Interest paid	(27,614)	(17,541)	(21,938)	-
Income tax paid	(1,456,008)	(55,161)	-	-
Net Cash Used In Operating Activities	(4,961,125)	(64,727)	(6,386,579)	(2,585,874)

cash flow statements

for the year ended 30 September 2004

(With comparative figures for the period 25 March, 2003 (date of incorporation) to 30 September, 2003)

	Note	The Group		The Company	
		2004 (12 months) RM	2003 (6 months) RM	2004 (12 months) RM	2003 (6 months) RM
Cash Flows From Investing Activities					
Purchase of property, plant and equipment		(4,950,181)	(11,048)	(4,104,655)	-
Development expenditure incurred		(2,842,419)	(53,318)	-	-
Deferred expenditure incurred		(630,145)	(551,442)	(630,145)	(551,442)
Interest received		270,488	44	220,829	-
Cash inflow from acquisition of subsidiary companies*		122,500	250,865	-	-
Proceeds from disposal of property, plant and equipment		78,200	-	-	-
Acquisition of remaining interest in a subsidiary company		-	(2)	(99,998)	(2)
Subscription of ordinary shares in subsidiary companies		-	-	(1,527,500)	-
Net Cash Used In Investing Activities		(7,951,557)	(364,901)	(6,141,469)	(551,444)
Cash Flows From Financing Activities					
Proceeds from issue of shares		16,000,000	4,650,430	16,000,000	4,650,430
Drawdown of term loan		2,887,539	-	2,887,539	-
Decrease/(Increase) in fixed deposit pledged		250,000	(45)	-	-
Repayment of bank borrowings		(750,000)	(1,110,555)	-	-
Repayment of hire-purchase payable		(43,154)	(6,997)	-	-
Net Cash From Financing Activities		18,344,385	3,532,833	18,887,539	4,650,430
Net Increase In Cash And Cash Equivalents		5,431,703	3,103,205	6,359,491	1,513,112
Cash And Cash Equivalents					
At Beginning Of Year/Period		3,103,205	-	1,513,112	-
Cash And Cash Equivalents					
At End Of Year/Period	27	8,534,908	3,103,205	7,872,603	1,513,112

cash flow statements

for the year ended 30 September 2004

(With comparative figures for the period 25 March, 2003 (date of incorporation) to 30 September, 2003)

Note *: The fair values of assets and liabilities assumed arising from the subscription of ordinary shares in Key Alliance Sdn. Bhd. and the acquisition of entire equity interest in DVM Innovate Sdn. Bhd. (formerly known as ET Communications Sdn. Bhd.) in 2004 and 2003 respectively were as follows:

	Unaudited 15th March, 2004 RM	Unaudited 29th July, 2003 RM
Net assets acquired as of the date of acquisition:		
Property, plant and equipment	31,352	951,126
Development expenditure	-	80,828
Contract work in progress	-	596,444
Trade receivables	-	21,106,968
Other receivables and prepaid expenses	250	1,036,126
Amount owing by former holding company	-	4,320
Fixed deposits with licensed banks	-	850,922
Cash and bank balances	250,000	250,865
Trade payables	-	(13,036,792)
Other payables and accrued expenses	(67,976)	(420,021)
Hire-purchase payable	-	(66,427)
Bank borrowings	-	(1,860,555)
Tax liabilities	-	(118,332)
Deferred tax liabilities	-	(265,000)
Minority interest	(104,677)	-
	<hr/>	<hr/>
Net assets acquired	108,949	9,110,472
Goodwill on consolidation	18,551	-
Reserve on consolidation	-	(1,760,900)
	<hr/>	<hr/>
Purchase consideration	127,500	7,349,572
Less: Purchase consideration discharged by shares issued	-	(7,349,570)
Less: Acquisition of remaining interest in indirect subsidiary company	-	(2)
Less: Cash and bank balances	(250,000)	(250,865)
	<hr/>	<hr/>
Cash flow on acquisition, net of cash acquired	(122,500)	(250,865)

notes to the financial statements

1. GENERAL INFORMATION

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiary companies are as disclosed in Note 12.

There has been no significant change in the nature of the principal activities of the Company and of its subsidiary companies during the financial year.

The total number of employees of the Group and of the Company as of year end was 73 (44 in 2003) and 13 (nil in 2003) respectively.

The registered office of the Company is located at 13-7A, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Suite 3A-7, Level 7 Block 3A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

2. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 31st March, 2003, the Company submitted an application to the Securities Commission ("SC") and Bursa Malaysia Securities Berhad ("Bursa Securities") for the proposed listing of its entire issued and paid up share capital on the MESDAQ Market of Bursa Securities ("the Proposed Listing"). The Proposed Listing was approved by the SC and Bursa Securities on 21st July, 2003 and 22nd July, 2003 respectively.

The Company was listed on the MESDAQ Market of Bursa Securities on 2nd January, 2004.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been approved by the Board of Directors for issuance on 19th January, 2005.

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards of the Malaysian Accounting Standards Board.

4. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the subsidiary companies controlled by the Company made up to 30th September, 2004. Subsidiary companies are those companies in which the Group owns, directly or indirectly, more than 50% of the equity share capital and has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

notes to the financial statements

4. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Basis of Consolidation *(cont'd)*

Subsidiary companies are consolidated using the acquisition method of accounting. On acquisition, the assets and liabilities of the relevant subsidiary companies are measured at their fair values at the date of acquisition. The interest of minority shareholder is stated at the minority's proportion of the fair values of the assets and liabilities recognised. The excess of the fair value of the net tangible assets of subsidiary companies at the effective date of acquisition over the purchase consideration is included in the consolidated balance sheet as reserve on consolidation.

Goodwill arising on consolidation represents the excess of the purchase consideration over the share of the fair values of the identifiable net assets of a subsidiary company at the date of acquisition. Goodwill arising from the acquisition of a subsidiary company has been written off during the financial year.

The results of subsidiary companies acquired during the financial year are included in the consolidated financial statements from the effective date of acquisition.

All significant intercompany transactions and balances are eliminated on consolidation.

Revenue

Sales of goods are recognised upon delivery of products and when the risks and rewards of ownership have passed. Revenue represents gross invoiced value of goods sold and services provided net of sales tax, trade discounts and allowances.

Revenue from services rendered is recognised in the income statement on a percentage of completion method based on the work and deliverables performed to date bear to the total contract sum. Where the outcome of the transactions cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Management fee is recognised when services are rendered.

Foreign Currency Conversion

Transactions in foreign currencies are converted into Ringgit Malaysia at exchange rates prevailing at the transaction dates or, where settlement has not yet been made at the end of the financial year, at approximate exchange rates prevailing at that date. All foreign exchange gains or losses are taken up in the income statements.

The exchange rate ruling at the balance sheet date used is as follows:

	2004 RM	2003 RM
United States Dollar	3.80	3.80

notes to the financial statements

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income Tax

The tax effects of transactions are recognised, using the "balance sheet liability" method, and all taxable temporary differences are recognised. Deferred tax is provided at current tax rate on temporary differences arising from property, plant and equipment net of provision which is currently not deductible for tax purposes. Where such temporary differences would give rise to net deferred tax asset, the tax effects are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss (if any).

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in the income statement.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. Any impairment loss is charged to the income statement.

Property, plant and equipment are depreciated using the straight-line method at rates calculated to write off the cost of the assets over their estimated useful lives. The annual rates used are as follows:

Office building	2%
Computer software and equipment	20%
Furniture, fittings, office equipment and renovation	20%

Property, Plant and Equipment Under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to the income statements to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Deferred Expenditure

Deferred expenditure, which relates to the expenditure incurred for the listing of the shares of the Company on the MESDAQ Market of Bursa Malaysia Securities Berhad, is stated at cost and has been set off against the share premium account upon the listing of the shares of the Company.

Development Expenditure

Expenditure on development is charged to the income statements in the year in which it is incurred except where a clearly defined project is undertaken and it is reasonably anticipated that development costs will be recovered through future commercial activities. Such development costs are recognised as an intangible asset and amortised on a straight line method over the life of the project from the date of commencement of commercial operation, which is on average of five years.

notes to the financial statements

4. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Investments

Investment in subsidiary companies, which are eliminated on consolidation, are stated at cost in the Company's financial statements.

Receivables

Trade and other receivables are stated at nominal value as reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful receivables is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

Provisions

Provisions are made when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made.

Employee Benefits

Wages, salaries, paid annual leave, sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and the Company.

The Group and the Company make monthly contribution to the Employees Provident Fund, a statutory contributions plan for all its eligible employees. The Group's and the Company's contribution, calculated at certain prescribed rates, is charged to the income statements.

Financial Assets

The Group's principal financial assets are cash and bank balances, fixed deposits with licensed banks, trade and other receivables and amount owing by former holding company.

Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. Significant financial liabilities of the Group include trade and other payables, amount owing to a director, hire-purchase payable, bank borrowings and term loan in which they are stated at their nominal values.

Equity instruments are recorded at the proceeds received, net of direct issue costs.

Cash Flow Statement

The Group and the Company adopt the indirect method in the preparation of the cash flow statement.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

notes to the financial statements

5. REVENUE

	The Group		The Company	
	2004 (12 months) RM	2003 (6 months) RM	2004 (12 months) RM	2003 (6 months) RM
Sales of computer hardware and software	7,967,000	7,920,535	-	-
Maintenance fees and other services	3,505,326	374,575	-	-
Contract turnover	-	5,623,246	-	-
Management fee	-	-	1,944,000	-
	11,472,326	13,918,356	1,944,000	-

6. PROFIT/(LOSS) FROM OPERATIONS

Profit/(Loss) from operations is arrived at:

	The Group		The Company	
	2004 (12 months) RM	2003 (6 months) RM	2004 (12 months) RM	2003 (6 months) RM
After charging:				
Staff costs	2,787,002	163,502	564,727	-
Directors' remuneration (Note 7)	935,520	236,440	935,520	-
Depreciation of property, plant and equipment (Note 11)	411,804	55,488	22,485	-
Allowance for doubtful receivables	346,838	285,436	-	-
Rental of premises	238,038	60,200	49,450	-
Amortisation of development expenditure	216,169	4,523	-	-
Audit fee	34,000	27,000	10,000	10,000
Goodwill on consolidation written off	18,551	-	-	-
Realised loss on foreign exchange	120	-	-	-
Incorporation expenses	-	5,120	-	5,120
Property, plant and equipment written off	-	1,314	-	-
And crediting:				
Realised gain on foreign exchange	2,339	-	-	-
Allowance for doubtful receivables no longer required	-	50,506	-	-
Rental income	-	2,400	17,705	-

Staff costs include salaries, bonuses, contributions to Employees Provident Fund ("EPF") and any other staff related expenses. Contribution to EPF of the Group and of the Company for the financial year amounted to RM270,034 (RM237,058 in 2003) and RM52,817 (RMNil in 2003) respectively.

notes to the financial statements

7. DIRECTORS' REMUNERATION

	The Group		The Company	
	2004	2003	2004	2003
	(12 months)	(6 months)	(12 months)	(6 months)
	RM	RM	RM	RM
Executive directors:				
EPF contributions	83,520	21,600	83,520	-
Other emoluments	780,000	214,840	780,000	-
	863,520	236,440	863,520	-
Non-executive directors:				
Fees	72,000	-	72,000	-
	935,520	236,440	935,520	-

The number of directors of the Company whose total remuneration within the Group during the financial year fall within the following bands is as follows:

	Number of directors			
	The Group		The Company	
	2004	2003	2004	2003
Executive Directors				
Below RM100,000	-	3	-	-
RM100,001 - RM200,000	1	-	1	-
RM200,001 - RM300,000	1	-	1	-
RM400,001 - RM500,000	1	-	1	-
Non-Executive Directors				
RM20,001 - RM30,000	2	-	2	-
RM30,001 - RM40,000	1	-	1	-

notes to the financial statements

8. FINANCE COSTS

	The Group		The Company	
	2004 (12 months) RM	2003 (6 months) RM	2004 (12 months) RM	2003 (6 months) RM
Interest on:				
Term loan	19,610	-	19,610	-
Hire-purchase	5,676	1,142	-	-
Bank overdraft	2,328	3,953	2,328	-
Bankers' acceptance	-	11,303	-	-
Others	-	1,143	-	-
	27,614	17,541	21,938	-

9. INCOME TAX EXPENSE

Income tax expense consists of the following:

	The Group		The Company	
	2004 (12 months) RM	2003 (6 months) RM	2004 (12 months) RM	2003 (6 months) RM
Estimated tax payable:				
Current year	335,000	219,000	50,000	-
Overprovision in prior years	(56,163)	(30,000)	-	-
Transfer from deferred tax (Note 23):				
Current year	(1,000)	(120,000)	-	-
Overprovision in prior year	(84,000)	-	-	-
	193,837	69,000	50,000	-

notes to the financial statements

9. INCOME TAX EXPENSE (cont'd)

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	The Group		The Company	
	2004 (12 months) RM	2003 (6 months) RM	2004 (12 months) RM	2003 (6 months) RM
Profit/(Loss) before tax	936,937	1,448,919	62,315	(19,234)
Taxation at statutory tax rate of 28% (28% in 2003)	262,342	405,697	17,448	(5,385)
Difference in tax rate for chargeable income up to RM500,000 (RM100,000 in 2003) for small and medium scale companies	(33,458)	(16,000)	-	-
Tax exempt income	-	(377,720)	-	-
Income not subject to tax	(90,493)	-	-	-
Expenses not deductible for tax purposes	41,609	87,023	32,552	5,385
Deferred tax assets not recognised	154,000	-	-	-
	334,000	99,000	50,000	-

Deferred tax assets not recognised mainly consist of temporary differences arising from property, plant and equipment, general allowance for doubtful receivables, unutilised tax losses and unabsorbed capital allowances. These temporary differences pertaining to certain subsidiary companies and for tax purposes cannot offset with profit of other companies within the Group.

One of the subsidiary companies, NGC Systems Sdn. Bhd., has been accorded Multimedia Super Corridor Status and was granted Pioneer Status effective from 20th November, 2002, which exempts 100% of the statutory business income from taxation for a period up to 10 years.

10. EARNINGS FOR ORDINARY SHARE - BASIC

	The Group	
	2004 (12 months) RM	2003 (6 months) RM
Net profit attributable to ordinary shareholders	847,777	1,379,919
Number of shares in issue as of beginning of year/date of incorporation	120,000,000	20
Effect of shares issued during the year/period	30,575,342	29,419,654
Weighted average number of ordinary shares in issue	150,575,342	29,419,674

notes to the financial statements

10. EARNINGS FOR ORDINARY SHARE - BASIC (cont'd)

	The Group	
	2004 (12 months)	2003 (6 months)
Basic earnings per share (sen)	0.56	4.69

11. PROPERTY, PLANT AND EQUIPMENT

	Office building RM	Computer software and equipment RM	Furniture, fittings, office equipment and renovation RM	Total RM
The Group				
Cost				
At beginning of year	-	1,681,138	172,762	1,853,900
Additions	4,032,070	750,542	167,569	4,950,181
Acquisition of subsidiary company	-	32,019	-	32,019
Disposals	-	(138,000)	-	(138,000)
At end of year	4,032,070	2,325,699	340,331	6,698,100
Accumulated depreciation				
At beginning of year	-	870,349	78,179	948,528
Charge for the year	20,160	350,537	41,107	411,804
Acquisition of subsidiary company	-	667	-	667
Disposals	-	(59,800)	-	(59,800)
At end of year	20,160	1,161,753	119,286	1,301,199
Net Book Value				
As of 30.9.2004	4,011,910	1,163,946	221,045	5,396,901
As of 30.9.2003	-	810,789	94,583	905,372
Depreciation charge for 2003	-	50,602	4,886	55,488

notes to the financial statements

11. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

	Office building RM	Computer software and equipment RM	Furniture, fittings, office equipment and renovation RM	Total RM
The Company				
Cost				
At beginning of year	-	-	-	-
Additions	4,032,070	32,760	39,825	4,104,655
At end of year	4,032,070	32,760	39,825	4,104,655
Accumulated depreciation				
At beginning of year	-	-	-	-
Charge for the year	20,160	724	1,601	22,485
At end of year	20,160	724	1,601	22,485
Net Book Value				
As of 30.9.2004	4,011,910	32,036	38,224	4,082,170

The strata title to the office building has yet to be issued as of the end of the financial year.

The office building of the Company was charged to a bank as security for bank overdraft and term loan obtained from the said bank (Note 21 and 22).

Included in property, plant and equipment of the Group are computer software and equipment acquired under hire-purchase arrangement with net book value amounting to RM58,774 (RM83,963 in 2003).

Included in property, plant and equipment of the Group are fully depreciated property, plant and equipment which are still in use, with cost amounting to RM409,616 (RM292,326 in 2003).

notes to the financial statements

12. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2004 (12 months) RM	2003 (6 months) RM
Unquoted shares - at cost	8,977,070	7,349,572

The subsidiary companies, all incorporated in Malaysia, are as follows:

Name of Company	Effective Equity Interest		Principal Activities
	2004 %	2003 %	
Direct subsidiary companies			
DVM Innovate Sdn. Bhd. ("DVM Innovate") (Formerly known as ET Communications Sdn. Bhd.)	100	100	Provision of communications systems integration and solutions, data network and data communications solutions and operational support systems
NGC Systems Sdn. Bhd. ("NGC")	100	-	Development of software applications
Key Alliance Sdn. Bhd. ("KASB")	51	-	Distribution and provision of information technology in relation to computer parts, software and accessories
Indirect subsidiary companies, held through DVM Innovate			
DVM IntelliSource Sdn. Bhd. (Formerly known as Adtel Systems Sdn. Bhd.)	100	100	Provision of business and operational support systems and services, software development and business process outsourcing
NGC Systems Sdn. Bhd.	-	100	Development of software applications

The amount owing by/(to) subsidiary companies arose mainly from payments made on behalf and advances, which are unsecured, interest-free and have no fixed terms of repayment.

On 28th March, 2003, the Company entered into a sale of shares agreement to acquire the entire equity interest in DVM Innovate for a purchase consideration of RM7,349,572, to be satisfied by the issuance of 73,495,700 new ordinary shares of RM0.10 each in the Company at par. The acquisition was completed on 29th July, 2003.

notes to the financial statements

12. INVESTMENT IN SUBSIDIARY COMPANIES *(cont'd)*

On 23rd March, 2004, the Company subscribed for 127,500 new ordinary shares of RM1.00 each in KASB representing 51% of the enlarged issued and paid up share capital of KASB at par, for a total cash consideration of RM127,500.

The effect of the subscription of ordinary shares in KASB and the acquisition of DVM Innovate on the financial results of the Group for the financial year/period is as follows:

	From the date of acquisition to 30th September,	
	2004	2003
	RM	RM
Revenue	766,714	13,918,356
Cost of sales	(480,473)	(11,384,300)
	<hr/>	<hr/>
Gross profit	286,241	2,534,056
Other operating income	-	52,906
Distribution expenses	(55,135)	(154,755)
Administrative expenses	(381,633)	(194,860)
Other operating expenses	(161,279)	(751,697)
	<hr/>	<hr/>
(Loss)/Profit from operations	(311,806)	1,485,650
Interest income from deposits	-	44
Finance costs	-	(17,541)
	<hr/>	<hr/>
(Loss)/Profit before tax	(311,806)	1,468,153
Income tax expense	-	(69,000)
	<hr/>	<hr/>
(Decrease)/Increase in Group profit attributable to shareholders	(311,806)	1,399,153

notes to the financial statements

12. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The effect of the subscription of ordinary shares in KASB and the acquisition of DVM Innovate on the financial position of the Group as of the end of the financial year/period is as follows:

	2004 RM	2003 RM
Property, plant and equipment	106,938	905,372
Development expenditure	-	129,623
Trade receivables	524,060	15,005,462
Other receivables and prepaid expenses	3,062	670,305
Amount owing by former holding company	-	8,668
Fixed deposits with licensed banks	-	850,967
Cash and bank balances	45,402	1,590,093
Trade payables	(130,739)	(4,110,697)
Other payables and accrued expenses	(319,937)	(661,317)
Amount owing to a director	(160,000)	-
Hire-purchase payable	-	(59,430)
Bank borrowings	-	(750,000)
Tax liabilities	-	(252,171)
Deferred tax liabilities	-	(145,000)
	<hr/>	<hr/>
Increase in Group net assets	68,786	13,181,875

On 30th July, 2004, the Company subscribed for 1,400,000 ordinary shares of RM1.00 each in NGC, representing 93.33% equity interest. As such, NGC became a direct subsidiary company of the Company.

On the same day, the Company entered into a conditional Shares Sale Agreement with DVM Innovate for the acquisition of 99,998 ordinary shares of RM1.00 each in NGC to be satisfied by cash. The acquisition was completed on 2nd September, 2004 and NGC became a wholly-owned subsidiary company of the Company.

13. DEVELOPMENT EXPENDITURE

	The Group	
	2004 RM	2003 RM
Cost		
At beginning of year/date of incorporation	135,516	-
Acquisition of subsidiary company	-	82,198
Additions	2,842,419	53,318
	<hr/>	<hr/>
At end of year/period	2,977,935	135,516

notes to the financial statements

13. DEVELOPMENT EXPENDITURE *(cont'd)*

	The Group	
	2004 RM	2003 RM
Accumulated Amortisation		
At beginning of year/date of incorporation	5,893	-
Acquisition of subsidiary company	-	1,370
Current amortisation	216,169	4,523
At end of year/period	(222,062)	(5,893)
Net	2,755,873	129,623

Included in additions to development expenditure of the Group was staff costs amounting to RM641,235 (RM74,668 in 2003). Contributions to EPF during the financial year amounted to RM65,285 (RM7,834 in 2003).

14. TRADE RECEIVABLES

	The Group	
	2004 RM	2003 RM
Trade receivables	21,251,410	15,547,369
Less: Allowance for doubtful receivables	(888,745)	(541,907)
Net	20,362,665	15,005,462

The foreign currency exposure profile of trade receivables is as follows:

	The Group	
	2004 RM	2003 RM
Ringgit Malaysia	19,006,463	15,547,369
United States Dollar	2,244,947	-
	21,251,410	15,547,369

The trade receivables comprise amounts receivable from sale of goods. The credit period granted on sales of goods ranges from 30 to 60 days (30 to 45 days in 2003). An allowance has been made for estimated irrecoverable amounts of trade receivables of RM888,745 (RM541,907 in 2003) based on the default experience of the Group.

notes to the financial statements

15. OTHER RECEIVABLES AND PREPAID EXPENSES

	The Group		The Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Tax recoverable	975,000	-	-	-
Other receivables	220,840	13,440	123,719	-
Refundable deposits	125,977	580,740	33,280	-
Prepaid expenses	304,991	76,125	224,874	-
	1,626,808	670,305	381,873	-

16. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

Pursuant to the listing of the Company on the MESDAQ Market of Bursa Malaysia Securities Berhad on 2nd January, 2004, the Company ceased to become a subsidiary company of Datamat Public Company Limited, a company incorporated in Thailand.

The amount owing by former holding company in 2003 arose from expenses paid on behalf which is interest free and has no fixed terms of repayment.

Significant transactions with subsidiary companies during the financial year are as follows:

Name of Company	Nature	The Company	
		2004 (12 months) RM	2003 (6 months) RM
DVM Innovate Sdn. Bhd.	Management fee	648,000	-
	Rental income	6,900	-
DVM IntelliSource Sdn. Bhd.	Management fee	648,000	-
	Rental income	6,900	-
NGC Systems Sdn. Bhd.	Management fee	648,000	-
Key Alliance Sdn. Bhd.	Rental income	3,905	-

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are no less favourable than those arranged with independent third parties.

notes to the financial statements

17. FIXED DEPOSITS WITH LICENSED BANKS

Included in the fixed deposits of the Group is an amount of RM600,967 (RM850,967 in 2003) placed with the local banks as security for banking facilities (Note 21) granted by the said banks to the subsidiary companies.

The effective interest rate of the fixed deposits ranges from 2.6% to 4% per annum (4% per annum in 2003).

The fixed deposits have an average maturity period of 1 to 12 months (12 months in 2003).

18. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade and other payables comprise amount outstanding for trade purchases and ongoing costs. The average credit period granted to the Group for trade purchases ranges from 30 to 60 days (30 to 60 days in 2003).

Other payables and accrued expenses consist of:

	The Group		The Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Other payables	724,951	108,935	171,017	95,610
Accrued expenses	887,632	657,992	34,300	10,000
	1,612,583	766,927	205,317	105,610

19. AMOUNT OWING TO A DIRECTOR

The amount owing to a director represents interest-free advances with no fixed term of repayment.

20. HIRE-PURCHASE PAYABLE

	The Group	
	2004 RM	2003 RM
Balance outstanding	16,276	65,106
Less: Interest-in-suspense	-	(5,676)
Principal portion	16,276	59,430
Less: Amount due within 12 months (included under current liabilities)	(16,276)	(41,982)
Non-current portion	-	17,448

The non-current portion in 2003 is payable in the financial year ending 30th September, 2005.

The interest rate implicit in this hire-purchase obligation is 9.88% per annum (9.88% in 2003).

notes to the financial statements

21. BANK BORROWINGS

	The Group		The Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Bank overdrafts (Note 27)	821,280	-	321,757	-
Bankers' acceptance	-	750,000	-	-
	821,280	750,000	321,757	-

The Company

The Company has bank overdraft facility amounting to RM386,000 obtained from a local bank. The said facility is secured against the office building of the Company (Note 11) and bears interest rate at 7.25% per annum.

Subsidiary Companies

The subsidiary companies have credit facilities totalling RM4.5 million (RM4.5 million in 2003) obtained from local banks. The said facilities are secured against fixed deposits (Note 17), third party's property and guaranteed by the directors and a third party. These facilities bear interest at rates ranging from 4.70% to 7.50% (4.70% to 7.50% in 2003) per annum.

22. TERM LOAN

	The Group and The Company	
	2004 RM	2003 RM
Principal outstanding	2,887,539	-
Less: Amount due within 12 months (included under current liabilities)	(186,267)	-
Non-current portion	2,701,272	-

notes to the financial statements

22. TERM LOAN (cont'd)

The non-current portion is repayable as follows:

	The Group and The Company	
	2004 RM	2003 RM
Financial years ending 30th September:		
2006	209,799	-
2007	233,331	-
2008	256,863	-
2009	280,395	-
2010 and after	1,720,884	-
	2,701,272	-

The term loan is secured against the office building of the Company (Note 11). The term loan bears interest rate at 4.25% per annum.

23. DEFERRED TAX LIABILITIES

	The Group	
	2004 RM	2003 RM
Balance at beginning of year/date of incorporation	145,000	-
Acquisition of subsidiary companies	-	265,000
Transfer to income statement (Note 9)	(85,000)	(120,000)
	60,000	145,000

The deferred tax liabilities is in respect of:

	The Group	
	2004 RM	2003 RM
Tax effect of:		
Temporary differences arising from:		
Property, plant and equipment	93,000	231,000
General allowance for doubtful receivables	(33,000)	(86,000)
	60,000	145,000

notes to the financial statements

23. DEFERRED TAX LIABILITIES (cont'd)

As mentioned in Note 4, the tax effects of temporary differences which would give rise to net deferred tax assets are recognised only where the taxable profits will be available against which deductible temporary differences can be utilised. As of 30th September, 2004, the estimated amount of deferred tax asset, calculated at current tax rate which has not been recognised in the financial statements, is as follows:

	The Group Deferred tax assets/(liabilities)	
	2004	2003
	RM	RM
Tax effect of:		
Temporary differences arising from:		
Property, plant and equipment	(135,000)	-
General allowance for doubtful receivables	208,000	-
Unutilised tax losses	67,000	-
Unabsorbed capital allowances	14,000	-
	<hr/>	
	154,000	-
	<hr/>	

24. SHARE CAPITAL

	The Group and The Company	
	2004	2003
	RM	RM
Authorised:		
Ordinary shares of RM0.10 each:		
At beginning of the year/date of incorporation	25,000,000	100,000
Created during the year/period	-	24,900,000
	<hr/>	
At end of year/period	25,000,000	25,000,000
	<hr/>	

notes to the financial statements

24. SHARE CAPITAL (cont'd)

	The Group and The Company	
	2004 RM	2003 RM
Issued and fully paid:		
Ordinary shares of RM0.10 each:		
At beginning of the year/date of incorporation	12,000,000	2
Issued during the year/period:		
Public issue	4,000,000	-
Acquisition of subsidiary companies	-	7,349,570
Rights issue	-	4,650,428
	<hr/>	<hr/>
At end of year/period	16,000,000	12,000,000

The Company was incorporated on 25th March, 2003 with an authorised share capital of RM100,000, consisting of 1,000,000 ordinary shares of RM0.10 each and an issued and paid-up capital of RM2, consisting of 20 ordinary shares of RM0.10 each.

As approved by the shareholders at the Extraordinary General Meeting held on 28th July, 2003, the authorised share capital of the Company was increased from RM100,000 to RM25,000,000 by the creation of an additional 249,000,000 new ordinary shares of RM0.10 each.

As approved by the shareholders at the Extraordinary General Meeting held on 29th July, 2003, the issued and paid up share capital of the Company was increased from RM2 to RM7,349,572 by way of an issue of 73,495,700 new ordinary shares of RM0.10 each at an issue price of RM0.10 each to the shareholders of DVM Innovate in connection with the acquisition of the entire equity interest in DVM Innovate.

As approved by the shareholders at the Extraordinary General Meeting held on 10th September, 2003, the issued and paid up share capital of the Company was increased from RM7,349,572 to RM12,000,000 by way of a rights issue of 46,504,280 new ordinary shares of RM0.10 each at par on the basis of 633 new shares for every 1,000 existing shares held.

As approved by the shareholders at the Extraordinary General Meeting held on 26th December, 2003, the issued and paid up share capital of the Company was increased from RM12,000,000 to RM16,000,000 by way of a public issue of 40,000,000 new ordinary shares of RM0.10 each at RM0.40 per share, in conjunction with the listing of the Company on the MESDAQ Market of Bursa Malaysia Securities Berhad.

The resulting premium of RM12,000,000 has been credited to the share premium account (Note 25).

The new shares issued rank pari passu with the then existing shares of the Company.

notes to the financial statements

25. SHARE PREMIUM

	The Group and The Company	
	2004 RM	2003 RM
At beginning of year/date of incorporation	-	-
Arising from public issue	12,000,000	-
	<hr/>	<hr/>
	12,000,000	-
Less: Listing expenses incurred	(1,181,587)	-
	<hr/>	<hr/>
At end of year/period	10,818,413	-
	<hr/>	<hr/>

26. FINANCIAL INSTRUMENTS**Financial Risk Management Objectives and Policies**

The operations of the Group are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk, liquidity risk and cash flow risk. The Group continuously manages its exposure to risks and/or costs associated with the financing, investing and operating activities of the Group on a daily basis.

Foreign currency risk

The Group is exposed to foreign exchange rate risk as certain trade transactions are denominated in foreign currencies.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing fixed deposits and bank borrowings. The interest rates of fixed deposits and bank borrowings of the Group are disclosed in Note 17, 21 and 22 respectively.

Credit risk

The Group is exposed to credit risk mainly from trade receivables. The Group has no concentration of credit risks and manage these risks by monitoring credit ratings to any individual counterparty. The Group extends credit to its customers based upon careful evaluation of the customer's financial condition and credit history.

Liquidity risk

The Group practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

notes to the financial statements

26. FINANCIAL INSTRUMENTS *(cont'd)*

Cash flow risk

The Group reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

Fair values

The carrying amount and the estimated fair value of the financial assets and liabilities as of 30th September, 2004 is as follows:

		The Group and The Company	
	Note	Carrying Amount RM	Fair Value RM
Financial liabilities			
Term loan	22	<u>2,701,272</u>	1,744,340

The fair value of term loan is estimated using discounted cash flow analysis based on current borrowing rates for similar types of borrowing arrangements.

Cash and cash equivalents, trade and other receivables, trade and other payables, amount owing to a director, inter-company indebtedness, hire-purchase payable and bank borrowings

The fair value of these financial instruments approximate the carrying amounts due to the short maturities of these instruments.

notes to the financial statements

27. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	The Group		The Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Fixed deposits with licensed banks	7,764,446	850,967	6,813,479	-
Cash and bank balances	2,192,709	3,103,205	1,380,881	1,513,112
Bank overdraft (Note 21)	(821,280)	-	(321,757)	-
	9,135,875	3,954,172	7,872,603	1,513,112
Less: Fixed deposits pledged (Note 17)	(600,967)	(850,967)	-	-
	8,534,908	3,103,205	7,872,603	1,513,112

28. CAPITAL COMMITMENTS

As of 30th September, 2004, the Group and the Company have the following capital commitments in respect of:

	The Group and The Company	
	2004 RM	2003 RM
Approved and contracted for:		
Purchase of property, plant and equipment	463,000	-

29. SEGMENT REPORTING

The Group operates predominantly in the information communication technology industry involving various types of activities as mentioned in Note 12 and principally in Malaysia. Accordingly, the financial information by geographical and industry segments of the Group's operations are not presented.

statement by directors

The directors of **DVM TECHNOLOGY BERHAD** state that, in their opinion, the accompanying balance sheets and the related statements of income, cash flows and changes in equity, are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of 30th September, 2004 and of the results and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution
of the Directors,

DATO' GOH KIAN SENG

CHEN CHEE PENG

Kuala Lumpur,
19th January, 2005

statutory declaration

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **DATO' GOH KIAN SENG**, the Director primarily responsible for the financial management of **DVM TECHNOLOGY BERHAD**, do solemnly and sincerely declare that the accompanying balance sheets and the related statements of income, cash flows and changes in equity are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed **DATO' GOH KIAN SENG** at
KUALA LUMPUR this 19th day of
January, 2005.

Before me,

COMMISSIONER FOR OATHS

statistics of shareholdings

as of 31 January 2005

Authorised Capital	RM25,000,000
Issued and fully paid up Capital	RM16,000,000
Class of Shares	Ordinary shares of RM0.10 each
Voting Right	One vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDING

	No of shareholders	% shareholders	No of shares held	% of issued capital
Less than 100 shares	2	0.06	100	-
100 to 999 shares	38	1.09	10,900	0.01
1,000 to 4,999 shares	1,483	42.51	3,043,500	1.90
5,000 to 10,000 shares	1,108	31.76	8,282,900	5.18
10,001 to 100,000 shares	750	21.50	23,000,700	14.37
100,001 to 1,000,000 shares	99	2.83	28,767,400	17.98
Above 1,000,000 shares	9	0.25	96,894,500	60.56
TOTAL	3,489	100.00	160,000,000	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

Name	Direct	No of Shares Held		%
		%	Indirect	
Datamat Public Limited Company	61,200,001	38.25	0	0
Dato Goh Kian Seng	25,992,000	16.25	0	0

LIST OF DIRECTORS' SHAREHOLDINGS

Name	Direct	No of Shares Held		%
		%	Indirect	
Dato Goh Kian Seng	25,992,000	16.25	0	0
Chen Chee Peng	6,290,099	3.93	0	0

statistics of shareholdings

as of 31 January 2005

LIST OF TWENTY (20) LARGEST SHAREHOLDERS AS OF 31 JANUARY 2005

No	Shareholder	No of shares	%
1.	Datamat Public Company Limited	51,120,000	31.95
2.	Dato Goh Kian Seng	17,902,000	11.19
3.	Ke-Zan Nominees (Asing) Sdn Bhd Kim Eng Securities P/L for Datamat Public Limited Company	10,080,001	6.30
4.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato Goh Kian Seng	8,090,000	5.06
5.	Chen Chee Peng	5,290,000	3.31
6.	Gooi Kee Hua	1,265,000	0.79
7.	Eric Lim Boon Eng	1,100,000	0.69
8.	Pau Yu Tiong	1,047,400	0.65
9.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chen Chee Peng	1,000,099	0.63
10.	Mayban Nominees (Tempatan) Sdn Bhd Mayban Investment Management S/B for Nik Husni Bin Nik Yaacob	1,000,000	0.63
11.	Mayban Nominees (Tempatan) Sdn Bhd Mayban Investment Management S/B for Ismail @ Mustapha Bin Ibrahim	1,000,000	0.63
12.	Pua Kang	946,000	0.59
13.	Gulamoydeen Bin Mohamed Haniffa	900,000	0.56
14.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Cheong Kee Lai (PB)	898,500	0.56
15.	Lau Wai Fong	800,000	0.50
16.	Lim Eng Theng	770,000	0.48
17.	Lee Keng Hong	700,000	0.48
18.	Media Edge Sdn Bhd	661,800	0.41
19.	Goh Swee Loang	650,000	0.41
20.	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Wai Wah	625,000	0.39

recurrent related party transactions of a revenue or trading nature

At the Extraordinary General Meeting held on 11 August 2004, the Company had obtained shareholders' mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business which are necessary for the day-to-day operations of the Group ("Shareholders' Mandate").

In accordance with Paragraph 3.1.5 of Guidance Note 12 of Bursa Securities Listing Requirement for MESDAQ Market, the details of the recurrent related party transactions conducted during the financial year ended 30 September 2004 pursuant to the Shareholders' Mandate are disclosed as follows:

DVM Group	Interested Related Parties	Nature of Transactions	Aggregate value (RM)
DVM Technology Berhad ("DVM")	Key Alliance Sdn Bhd ("KASB")	Rental of office space	3,905
	DVM holds 51% interest in KASB. Dato' Goh Kian Seng and Mr. Chen Chee Peng are common Directors in DVM and KASB, collectively holding 20.18% interest in DVM.	Sharing of utilities and office equipment expenses	6,407
DVM Innovate Sdn Bhd (formerly known as ET Communications Sdn Bhd) ("DVM Innovate")		Purchases of computer peripherals, software and hardware by DVM Innovate	136,951
NGC Systems Sdn Bhd ("NGC")		Purchases of computer peripherals, software and hardware by NGC	104,496
		Purchase of IT software from NGC	227,500
DVM Innovate	Datamat Public Company Limited ("Datamat") DVM Innovate Sdn Bhd is a wholly-owned subsidiary of DVM. Mr. Kusol Sangkananta and Mr. Bhana Swasdibutara are common Directors of Datamat and DVM. Datamat is the substantial shareholder of DVM.	Sales of IT software and provision of technical support services to Datamat by DVM Innovate	1,064,000

recurrent related party transactions of a revenue or trading nature

The shareholdings of the respective interested Directors / Major shareholders shown are based on the information disclosed in the Circular to Shareholders dated 20 July 2004 in relation to the Proposed Shareholders' Mandate for Recurrent Related Party Transactions.

Notwithstanding the related party disclosure already presented in the audited financial statements in accordance with Malaysia Accounting Standards Board Standard No.8 ("MASB 8"), the above disclosure have been made in order to comply with Paragraph 3.1.5 of Guidance Note 12 of the Listing Requirements of Bursa Securities Listing Requirements for MESDAQ Market ("Listing Requirements) with regard to the value of recurrent related party transactions of a revenue or trading nature conducted in accordance with the Shareholders' Mandate during the financial year, as the scope of the related party relationships and disclosures contemplated in accordance with Listing Requirements are, to a certain extent, different from those of MASB 8.

list of properties

Location	Description / Existing Use	Office Space Area	Tenure	Approximate Aged of Property (years)	Net Book Value @ 30.9.04 (RM)	Year of Valuation / Acquisition
Parcel No. CS/3A/7 Storey No. Level 7 Building No. 3A Plaza Sentral Jalan Stesen Sentral 5 Kuala Lumpur Sentral 50470 Kuala Lumpur	Office suite / For office	8,060 sq. ft.	Freehold	2	4,011,910	2004

notice of annual general meeting

NOTICE IS HEREBY GIVEN THAT the Second Annual General Meeting of the **DVM TECHNOLOGY BERHAD** will be held at Banquet Hall, Kuala Lumpur Golf & Country Club, No.10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Wednesday, 23 March 2005 at 10 am for the following purposes:

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the year ended 30 September 2004 together with the Directors and Auditors' Reports thereon. **Resolution 1**
2. To approve the Directors' fees amounting to RM72,000 in respect of the financial year ended 30 September 2004. (2003: Nil) **Resolution 2**
3. To re-elect the following Directors retiring in accordance with Article 81 of the Articles of Association of the Company:
 - a) Mr Chen Chee Peng **Resolution 3**
 - b) Ms Lee Chiew Hooi **Resolution 4**
 - c) Mr Vinai Phongsathorn **Resolution 5**
4. To re-appoint Messrs. Deloitte & Touche as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 6**

As Special Business

5. **To authorise Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965:**

"**THAT** pursuant to Section 132D of the Companies Act, 1965 approval be and is hereby given to the Directors to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten (10) percent of the issued share capital of the Company for the time being, subject always to the approval of the relevant regulatory authorities being obtained for such allotment and issue."

Resolution 7

notice of annual general meeting

6. **Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature entered with the following Related Parties:**

a) **KEY ALLIANCE SDN BHD**

Resolution 8

b) **DATAMAT PUBLIC COMPANY LIMITED, THAILAND**

Resolution 9

"**THAT**, DVM and its subsidiaries ("DVM Group") be and are hereby authorised to enter into and give effect to the Recurrent Related Party Transactions of a revenue or trading nature as detailed in Section 2.3 in the Circular accompanying the Annual Report dated 28 February 2005, subject to the following:

- (a) The transactions are necessary for the DVM Group's day-to-day operations in the ordinary course of business on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of the Company; and
- (b) The disclosure will be made in the annual report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year based on the type of Recurrent Related Party Transactions made, the names of the Related Parties involved in each type of Recurrent Related Party Transactions and their relationship with the Company or its subsidiaries.

AND THAT, such approval shall be in force until:

- (i) the conclusion of the next Annual General Meeting, at which time it will lapse, unless by a resolution passed at the meeting whereby the authority is renewed;
- (ii) the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 143 (1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- (iii) revoked or varied by resolution passed by shareholders in general meeting,

whichever is earlier,

AND THAT authority be and is hereby given to the Directors of the Company to complete and do such acts and things (including executing all such documents as may be required) to give effect to the Proposed Shareholders' Mandate."

notice of annual general meeting

7. To transact any other business for which due notice shall have been given in accordance with the Companies Act, 1965.

By order of the Board,

Pang Kah Man (MIA 18831)
Secretary

Kuala Lumpur
1 March 2005

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any other person to be his proxy and the provisions of Section 149(1) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.

The instrument appointing a proxy must be deposited at the Registered Office of the Company at 13-7A The Boulevard Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

4. EXPLANATORY NOTE UNDER SPECIAL BUSINESS

4.1 Ordinary Resolution No. 7

The Proposed Ordinary Resolution 7, if passed, will avoid any delay and cost involved in convening a general meeting and will empower the Directors of the Company to allot and issue shares in the Company up to an amount not exceeding in total 10% of the Issued Share Capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

4.2 Ordinary Resolution No. 8 Ordinary Resolution No. 9

The Ordinary Resolutions No. 8 and No. 9, if passed, will allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature in compliance with Rule 6.8 and Guidance Note 12 of Bursa Securities Listing Requirements for the MESDAQ Market. Further information on the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate is set out in the Circular to Shareholders dated 28 February 2005 which is despatched together with the Company Annual Report for the financial year ended 30 September 2004.



DVM TECHNOLOGY BERHAD (609953-K)

proxy form

I/We _____ (I.C. No./Co Registration No.) _____
(FULL NAME IN BLOCK LETTER)

of _____

being a member/members of DVM TECHNOLOGY BERHAD, hereby appoint _____

_____ (I.C. No.) _____ or failing *him/her _____

of _____

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and vote for me/us and on my/our behalf at the Second Annual General Meeting of the Company to be held at Banquet Hall, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Wednesday, 23 March 2005 at 10 am and at any adjournment thereof, as indicated below:-

	Resolution	For	Against
Resolution 1	Adoption of the Audited Financial Statements for the year ended 30 September 2004 together with the Directors and Auditors' Reports thereon.		
Resolution 2	Approval of payment of the Directors' Fee amounting to RM72,000 for the financial year ended 30 September 2004		
Resolution 3	Re-election of Chen Chee Peng		
Resolution 4	Re-election of Lee Chiew Hooi		
Resolution 5	Re-election of Vinai Phongsathorn		
Resolution 6	Re-appointment of Deloitte & Touche as auditors and to authorise the Directors to fix their remuneration		
Resolution 7	Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965		
Resolution 8	Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for additional Recurrent Related Party Transactions of a Revenue or Trading Nature with Key Alliance Sdn Bhd		
Resolution 9	Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for additional Recurrent Related Party Transactions of a Revenue or Trading Nature with Datamat Public Company Limited, Thailand		

(Please indicate with an "X" in the appropriate box against each Resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion).

Dated this _____ day of _____ 2005

Number of shares held							

Signature of Shareholder or Common Seal

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any other person to be his proxy and the provisions of Section 149(1) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.

The instrument appointing a proxy must be deposited at the Registered Office of the Company at 13-7A The Boulevard Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

Fold this flap for sealing

Then fold here

Affix
Stamp

The Company Secretary
DVM TECHNOLOGY BERHAD
(Company No. 609953-K)
13-7A The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

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