



DVM
TECHNOLOGY
People and Technology

Annual Report
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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 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*
Kamarudin Bin Ngah - *Independent Non-Executive Director*
Lee Keat Hin - *Independent Non-Executive Director*

Audit Committee

Kamarudin Bin Ngah - Chairman
Lee Keat Hin
Chen Chee Peng

Remuneration Committee

Kamarudin Bin Ngah - Chairman
Lee Keat Hin
Chen Chee Peng

Nomination Committee

Kamarudin Bin Ngah - Chairman
Lee Keat Hin

Company Secretary

Pang Kah Man (MIA 18831)

Registered Office

A-11-3 (Suite 2), Northpoint Offices, MidValley City
No 1 Medan Syed Putra Utara, 59200 Kuala Lumpur
T 03 2287 3788 F 03 2287 2688

Business Address

Suite 3A-7, Level 7 Block 3A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur
T 03 2273 3868 F 03 2273 3863
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
T 03 6201 1120 F 03 6201 3121

Auditors

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

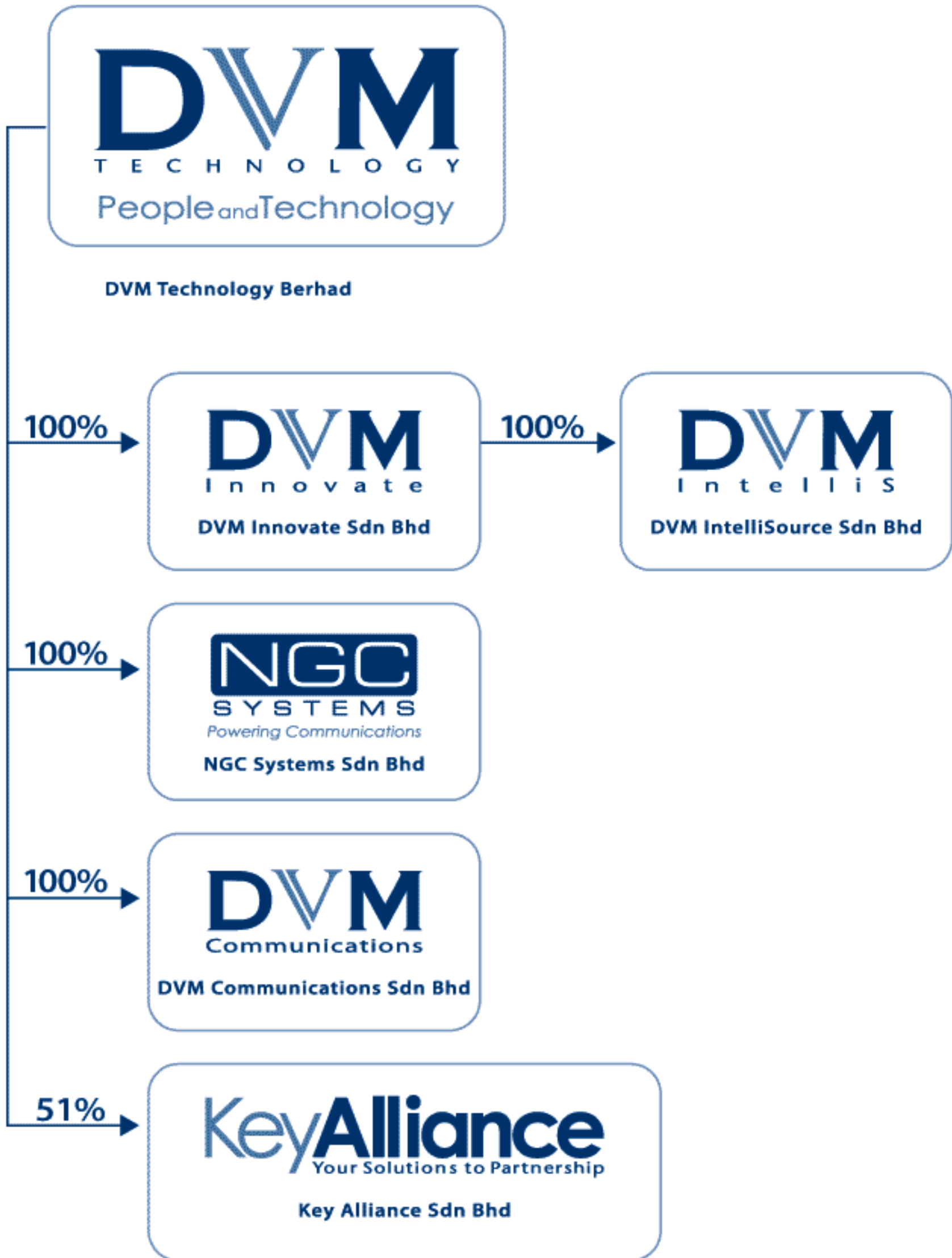
Principal Banker

Malayan Banking Berhad

Stock Exchange Listing

MESDAQ Market, Bursa Malaysia Securities Berhad
Stock Name DVM **Stock Code** 0036

Corporate Structure



Profile of Directors



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

Gen (R) Tan Sri Abdul Rahman Bin Abdul Hamid, aged 70, a Malaysian was appointed the Chairman of DVM on 4 November 2003. 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 listed corporation in Malaysia.

Dato' Goh Kian Seng **Managing Director**

Dato' Goh Kian Seng, aged 46, a Malaysian, was appointed the Managing Director of DVM on 8 August 2003. Dato' Goh obtained his degree in Chemical Engineering from Universiti Malaya and a Masters of Business Administration from Southern Cross University, Australia. He is responsible for the overall management, marketing and strategic direction of the DVM Group. He has been in the Computing, Data and Telecommunications industry since 1983.

Dato' Goh holds 25,932,000 fully paid ordinary shares of RM0.10 each or 14.7% interest in the Company.

Chen Chee Peng **Executive Director**

Chen Chee Peng, aged 45, 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 and a Masters of Business Administration from Southern Cross University, Australia. He has 18 years experience in the IT industry. He is responsible and manages the operations, business direction and strategies of the DVM Group. He is a member of the Audit and Remuneration Committee.

Mr. Chen holds 1,000,099 fully paid ordinary shares of RM0.10 each or 0.6% interest in the Company.

Profile of Directors

Kamarudin Bin Ngah

Independent Non-Executive Director

Kamarudin Bin Ngah, aged 60, 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. He is presently the Managing Director of a private company involved in spiral waste storage and handling systems.

En Kamarudin is the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee.

Lee Keat Hin

Independent Non-Executive Director

Lee Keat Hin, aged 50, a Malaysian was appointed to the Board on 29 April 2005. Mr Lee is presently the Managing Consultant for Proactive Consultancy Sdn Bhd, a company principally involved in managing and advising companies in strategy, mergers & acquisitions, corporate restructuring and turnaround projects. He graduated with a Bachelor of Accountancy (First Class Honours) from the Universiti of Malaya and is a Malaysian Chartered Accountant. He is also a member of the Malaysian Institute of Accountants, Malaysian Institute of Management and Institute of Quality Control Malaysia. He was a Past Governor and presently a member of the Institute of Internal Auditors Malaysia.

Mr Lee is member of the Audit Committee, Nomination Committee and Remuneration Committee.

Notes to Directors' Profile

All the directors do not have any family relationship with any director and/or substantial shareholders of the Company. None of the Directors have been convicted of any offences other than traffic offences within the past ten (10) years. None of the Directors have any conflict of interest with the Company.

Management Discussion

Dear Valued Shareholders

On behalf of the Board of Directors, I would like to present you the Annual Report and Audited Financial Statements for the financial period ended 31st December 2007.

Overview

For the financial period under review, we have registered significant growth and have improved our performance compared to previous years. This is because we have taken into cognisance the market environment and plan meticulously and implement our strategic plans effectively in penetrating and capturing a sizeable market share.

The gain achieved was mainly by the projects secured for the network and systems integration and the Genico Broadband Telephony products from both local and overseas customers.

Industry Trend and Development

As concerted efforts continue to be undertaken to strengthen the foundation for a knowledge-based economy, the greater adoption and usage of ICT will become strategically more important. The country will need to increasingly harness ICT to improve productivity and competitiveness as well as progress to high value-added and knowledge-intensive economic activities.

Simultaneously this will allow for the greater expansion of ICT-related industries and services. During the Ninth Plan period, the country will leverage on the significant progress made in fostering the development of ICT and multimedia industries. Taking into cognisance the increasing competition from other ICT hubs worldwide, efforts will be intensified towards strengthening Malaysia's position as a preferred global location for ICT investment and as a market leader for ICT solutions. Since the provision for a conducive environment, such as reliable infrastructure as well as service availability, affordability, and productivity, is a critical requirement in attracting key players, continuous global benchmarking of Malaysia's position will be important in assessing Malaysia's competitiveness and investment attractiveness internationally.

Premised on the above, the outlook and the prospects of the Malaysian economy and the ICT industry are expected to be positive with the Malaysian economy expected to grow for the next twelve (12) months underpinned by the continued expansion of private sector activities complemented by the Government's pragmatic policies and strategies as well as efforts to strengthen the ICT industry in Malaysia

(Source: Ninth Malaysia Plan 2006 - 2010)



Management Discussion

Financial Highlights

For the twelve (12) months financial year ended 31 December 2007, the Group recorded revenue of RM33.3 million which is an increase by 106% compared to previous year turnover of RM16 million.

The performance achieved was due to mainly focusing on the development of our core competencies that were tailored to meet customers demand and expectations in terms of functionality and superior features found in our products.

As part of prudent accounting treatment, the Group has substantially written off the amortization expense of RM1.8 million which is reflected in the increase in expenses in the accounts.

The Group continues to increase investment into research and development (R&D) activities amounting to RM1.2 million in order to achieve cutting edge technology which placed us in a superior position to increase our market share both locally and overseas.

The Group has achieved a net profit of RM0.5 million compared to previous year loss of RM7.9 million.

Technology Investment and Development

The Group will continue to invest significantly in enhancing its current products with more feature enriched Broadband Telephony and 3G mobile video applications. The solutions will be designed to cater to the Group's telco customers and to fulfill existing revenue sharing contracts with telcos.

The Group will also invest in the necessary infrastructure and human resources to ensure efficient deliverables and support services to local and overseas customers.

Prospects

The Group is of a strong opinion that the R&D expenditure, which is vital to the Group's sustainability of its business operations, is expected to contribute positively to the Group's performance in future.

The recent receipt of an award from Frost & Sullivan Asia Pacific for Asia Pacific's Most Promising Innovative Application/ Product for the Year 2007, has enabled the Group to further penetrate into the target market both locally and overseas.

Further capital outlay for the R&D department will be provided on an on-going basis to improve the existing product lines and to adapt to the rapidly changing technology.

The Group envisaged an exciting year ahead with the increase in teaming arrangements with a number of local and international partners who are committed and share our vision to be global player in promoting our 3G products locally and the bigger part of Asia.

Acknowledgement and Appreciation

On behalf of the Board, I wish to express sincere thanks and appreciation to the employees of DVM, customers, shareholders, business partners, technology partners and financiers who have given us their continuing strong support and encouragement.

Lastly, I also wish to record my thanks to my fellow directors for their advice and support.

The Management Team of DVM Technology Berhad

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 five members which comprise the Independent Non-Executive Chairman, Managing Director, one Executive Director and two 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 4 to 5.

All the Independent 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 information technology, industry specific knowledge, financial, commercial 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, Nomination 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 that 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.

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. Appointments are made upon the recommendation of the Nomination Committee. Currently comprised of two Independent Non Executive Directors, the Nomination Committee meets at least once a year but may convene additional meetings if considered necessary by the committee. It is headed by Kamarudin Bin Ngah whilst the other is Lee Keat Hin. 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 the Article of Association of the Company, all directors (including Managing Director) shall retire from office once every three(3) years but shall be eligible for re-election and one-third (1/3) of the Directors shall retire from office and eligible for re-election at each Annual General Meeting ("AGM").

Newly appointed directors during the financial year shall hold office until the next following AGM and shall then be eligible for re-election. Directors over seventy (70) years of age are required to submit themselves for re-appointment at every AGM in accordance with Section 129(6) of the Companies Act 1965.

Corporate Governance Statement

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.

The attendance record of each Director since the last financial year or the date of appointment is as follows :

Directors	Attendance
Gen (R) Tan Sri Abdul Rahman Bin Abdul Hamid	5/5
Dato' Goh Kian Seng	5/5
Chen Chee Peng	5/5
Kamarudin Bin Ngah	5/5
Lee Keat Hin	5/5

During the financial period, the Board also resolved and approved the Company's matters through circular resolutions. Board members are provided sufficient detailed information for approvals via circular resolutions and are given full access to management to clarify any matters arising.

1.7 Directors' Training

All Directors of the Company have attended the Mandatory Accreditation Programme and would continue to attend and undergo other relevant training programmes to further enhance their skills and knowledge where relevant. The Board of Directors will also on a continuous basis, evaluate and determine the training needs of the Directors in discharge of his duties as a Director.

2. DIRECTORS' REMUNERATION

The Remuneration Committee was established to assist the Board in determining the Directors' remuneration. In determining the Directors' remuneration, the Remuneration Committee will take into account the responsibilities of each individual Director. Individual Directors are required to abstain from discussion on their own remuneration.

2.1 Directors' Remuneration

The remuneration of Directors for the financial period ended 31 December 2007 was as follows:

Categorisation	Aggregate remuneration (in RM) paid/payable to		Total (RM)
	Executive Directors	Non-Executive Directors	
Directors Fees	0	96,000	96,000
Directors Emoluments			
- Salaries & Allowances	292,800	0	292,800
- Contribution by employer to Provident Fund	35,136	0	35,136
Total	327,936	96,000	423,936

Corporate Governance Statement

The number of Directors whose total remunerations falls within the following bands was as follows:

Remuneration Band (in RM per period)	Executive Directors	Non-Executive Directors
200,001 - 250,000	1	0
150,001 - 200,000	1	0
100,001 - 150,000	0	0
50,001 - 100,000	0	0
Below 50,000	0	3

3. ACCOUNTABILITY AND AUDIT

3.1 Financial Reporting

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.

The Directors are responsible for ensuring that financial statement are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable accounting standards in Malaysia. In preparing the financial statements, the Directors are required to select appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

3.2 Internal Control

The Group's Statement of Internal Control is set out on page 13 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.

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 11 to 12.

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's website at www.bursamalaysia.com.my.

The Group also provides the website (www.dvm.com.my) to provide public access, to highlight 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

Members of the Audit Committee

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

Kamarudin Bin Ngah	-	Chairman/Independent Non-Executive Director
Lee Keat Hin	-	Member/Independent Non-Executive Director
Chen Chee Peng	-	Member/Executive Director

Terms of Reference of the Audit Committee

(1) Composition of the Audit Committee

- (a) 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.
- (b) 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 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.
- (c) 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.
- (d) 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

- (a) The Committee will meet at least once a quarter and such additional meetings, as the Chairman shall decide in order to fulfill its duties.
- (b) 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.
- (c) 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.
- (d) A quorum shall consist of a majority of Committee members who must be independent director(s).

Audit Committee Report

(3) Duties and Responsibilities

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

- (a) to review and recommend the appointment of the external auditors, the audit fees and any other related matters;
- (b) to review the adequacy of existing external audit arrangements, with particular emphasis on the scope and quality of the audit;
- (c) to review the external auditors' report;
- (d) to review the quarterly results and year-end financial statements with both the external auditors and management prior to approval by the Board of Directors;
- (e) to discuss problems and reservations arising from the interim and final results, and any matters that the External Auditors may wish to discuss (in the absence of the management where necessary);
- (f) to review the effectiveness of the internal audit function, internal control and management information systems;
- (g) to review all areas of significant financial risks and the arrangements in place to contain those risks to acceptable levels;
- (h) to review all related party transactions and potential conflict of interest situations;
- (i) be able to convene meetings with the external auditors, the internal auditors or both excluding the attendance of other directors and employees, whenever deemed necessary;
- (j) to identify and direct any special project or investigate and to report on any issue or concern in regard to the Management of the Group; and
- (k) to consider other topics as defined by the Board.

Summary of Activities

The Committee had five meetings during the financial year, which were attended by all members of the Committee.

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

- (a) review of the quarterly financial results and announcements;
- (b) review of the audited audit report together with the external auditors;

Internal Audit Function

Presently the Group does not have an internal audit department and the Audit Committee relied on discussions with the management and executive directors and review of quarterly financial statements and management reports to discharge their duties. We are outsourcing the internal audit function to oversee the internal audit for the Group.

Statement of 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, the Board recognises that reviewing the adequacy of the Group's system of internal controls is a concerted and continuous process, designed to manage rather than to eliminate the risk of failure to achieve business objectives. It should be noted that any system could provide only reasonable, and not, absolute assurance against material misstatement or loss.

Key Processes

The key processes of internal control of the Group include:

1. The Board have established delegation of responsibilities to Board Committees, namely Audit Committee, Nomination Committee and Remuneration Committee.
2. Within the Group, there are organisation structure with clearly defined lines of responsibility, authority and accountability.
3. Executive Directors and management regularly meet and monitor the operational, management issues, financial performance and indicators focusing on the evaluation of applicable risks. Scheduled informal operational and management meetings are held to identify, discuss and resolve business and operational issues. Significant matters identified during these meetings are highlighted to the Board.
4. The Group has documented policies, procedures and standards in place to further strengthen the internal control system. These documents will be kept updated in accordance with changes in operating environment.
5. The Board and Audit Committee receive and reviews quarterly operating results and annual financial statements.
6. Regular training and development programmes are being attended by employees with the objective of enhancing their knowledge and skill competency.

The Board considers the system of internal controls to be at an acceptable level within the context on the business environment and level of operations and activities. The Board and the management continue to take necessary measures to strengthen its internal control environment.

Additional Compliance Information

1. **Share Buyback**

The Company does not have a scheme to buy back its shares.

2. **Options, Warrants or Convertible Securities**

The Company does not have any options, warrants or convertible securities in issue during the financial period.

3. **Depository Receipt Programme**

The Company did not sponsor any depository receipt programme during the financial period.

4. **Imposition of Sanctions and/or penalties**

There were no material sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the regulatory bodies during the financial year.

5. **Non-Audit fees**

There were no non-audit fees paid to the external auditors of the Company during the financial period.

6. **Variation of Results**

During the financial year, there were no significant variances noted between the reported results and the unaudited results announced.

7. **Profit Guarantee**

The Company did not give any profit guarantee during the financial period.

8. **Material Contracts**

There were no material contracts of the Company and its subsidiaries, involving the directors and substantial shareholders' interests during the financial period.

9. **Corporate Social Responsibility Statement**

The group did not embark on any community related programmes this year but will look forward to active participation in CSR in the future as part of our responsibility and contribution as a responsible corporate citizen.

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 31st December, 2007.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiary companies are disclosed in Note 14 to the Financial Statements.

There have been no significant changes 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/(Loss) before tax	564,976	(647,662)
Income tax expense	(26,449)	(149)
Profit/(Loss) after tax	538,527	(647,811)
Minority interest	-	-
Profit/(Loss) for the year	538,527	(647,811)

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 other than the development expenditure written off as disclosed in Note 7 to the Financial Statements.

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.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or 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.

Directors' Report

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 had 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.

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' Report

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
Kamarudin Bin Ngah
Gen. (R) Tan Sri Abdul Rahman Bin Abdul Hamid
Lee Keat Hin

In accordance with Article 81 of the Company's Articles of Association, Mr. Lee Keat Hin retires by rotation and, being eligible, offers himself for re-election.

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:

Shares in the Company	Number of Ordinary Shares of RM0.10 each			Balance as of 31.12.2007
	Balance as of 1.1.2007	Bought	Sold	
Registered in name of director				
Dato' Goh Kian Seng	25,932,000	-	-	25,932,000
Chen Chee Peng	2,763,433	-	-	2,763,433

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' Report

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 and any benefits which may be deemed to have arisen by virtue of the transactions.

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.

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
21st April, 2008

Report of The Auditors To The Members of DVM Technology Berhad (Incorporated in Malaysia)

We have audited the accompanying balance sheet as of 31st December, 2007 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. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

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 abovementioned financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable Malaysia Accounting Standards Board 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 31st December, 2007 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

MAK KUM CHOON
1478/01/09 (J/PH)
Partner

21st April, 2008

Income Statements

FOR THE YEAR ENDED 31ST DECEMBER, 2007

(With comparative figures for the period 1st October, 2005 to 31st December, 2006)

	Note (s)	The Group		The Company	
		2007 (12 months) RM	2006 (15 months) RM	2007 (12 months) RM	2006 (15 months) RM
Revenue	6 & 7	33,289,029	16,294,610	864,000	1,392,000
Cost of sales		(18,985,217)	(10,581,959)	-	-
Gross profit		14,303,812	5,712,651	864,000	1,392,000
Investment revenue	8	103,585	68,816	5	15,253
Other income	8	649,194	9,873	413,255	509,376
Finance costs	10	(511,635)	(388,577)	(197,584)	(271,074)
Distribution expenses		(1,054,281)	(861,748)	(164,922)	(188,627)
Administrative expenses		(3,019,110)	(2,070,027)	(448,791)	(467,011)
Other expenses	8	(9,906,589)	(10,291,737)	(1,113,625)	(7,993,243)
Profit/(Loss) before tax		564,976	(7,820,749)	(647,662)	(7,003,326)
Income tax (expense)/credit	11	(26,449)	(100,904)	(149)	19,178
Profit/(Loss) after tax		538,527	(7,921,653)	(647,811)	(6,984,148)
Minority interest		-	-	-	-
Profit/(Loss) for the year/period		538,527	(7,921,653)	(647,811)	(6,984,148)
Earnings/(Loss) per ordinary share - basic (sen)	12	0.31	(4.65)		

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

Balance Sheets

AS OF 31ST DECEMBER, 2007

	Note	The Group		The Company	
		2007 RM	2006 RM	2007 RM	2006 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	13	18,859,659	4,866,365	4,092,020	4,316,730
Investment in subsidiary companies	14	-	-	13,706,572	13,706,572
Development expenditure	15	1,392,401	5,417,605	-	-
Total Non-Current Assets		20,252,060	10,283,970	17,798,592	18,023,302
Current Assets					
Inventories	16	34,641	4,729,072	-	-
Trade receivables	17	7,383,053	5,970,860	-	-
Other receivables and prepaid expenses	18	118,311	723,115	56,331	75,600
Amount owing by subsidiary companies	14	-	-	5,358,441	5,915,295
Fixed deposits with licensed banks	20	4,681,258	970,211	-	678
Cash and bank balances		181,431	456,327	28,411	43,127
Total Current Assets		12,398,694	12,849,585	5,443,183	6,034,700
Total Assets		32,650,754	23,133,555	23,241,775	24,058,002
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital	21	17,600,000	17,600,000	17,600,000	17,600,000
Share premium	22	10,716,665	10,716,665	10,716,665	10,716,665
Reserve on consolidation	22	-	1,760,900	-	-
Accumulated loss		(12,246,920)	(14,546,347)	(7,885,161)	(7,237,350)
Equity attributable to equity holders of the parent		16,069,745	15,531,218	20,431,504	21,079,315
Minority interest		-	-	-	-
Total Equity		16,069,745	15,531,218	20,431,504	21,079,315

(Forward)

Balance Sheets

	Note	The Group		The Company	
		2007 RM	2006 RM	2007 RM	2006 RM
Non-Current Liabilities					
Long-term loan - non current portion	26	10,933,386	2,196,132	1,933,386	2,196,132
Deferred tax liabilities	27	-	-	-	-
Total Non-Current Liabilities		10,933,386	2,196,132	1,933,386	2,196,132
Current Liabilities					
Trade payables	23	1,857,024	2,281,527	-	-
Other payables and accrued expenses	23	1,340,061	556,384	512,015	221,153
Amount owing to a director	24	157,200	8,700	-	-
Bank borrowings	25	2,030,592	2,228,404	102,124	322,188
Long-term loan - current portion	26	262,746	239,214	262,746	239,214
Tax liabilities		-	91,976	-	-
Total Current Liabilities		5,647,623	5,406,205	876,885	782,555
Total Liabilities		16,581,009	7,602,337	2,810,271	2,978,687
TOTAL EQUITY AND LIABILITIES		32,650,754	23,133,555	23,241,775	24,058,002

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

Statement of Changes in Equity

FOR THE YEAR ENDED 31ST DECEMBER, 2007

(With comparative figures for the period 1st October 2005 to 31st December, 2006)

	Issued capital RM	Share premium RM	Non-distributable reserve Reserve on consolidation RM	Accumulated loss RM	Total RM
The Group					
Balance as of 30th September, 2005	16,000,000	10,818,413	1,760,900	(6,624,694)	21,954,619
Total recognised income and expenses					
- Loss for the period	-	-	-	(7,921,653)	(7,921,653)
Shares issued during the period (Note 21)	1,600,000	-	-	-	1,600,000
Shares issue expenses	-	(101,748)	-	-	(101,748)
Balance as of 31st December, 2006	17,600,000	10,716,665	1,760,900	(14,546,347)	15,531,218
Balance as of 1st January, 2007	17,600,000	10,716,665	1,760,900	(14,546,347)	15,531,218
Effect of adoption of FRS 3	-	-	(1,760,900)	1,760,900	-
As restated	17,600,000	10,716,665	-	(12,785,447)	15,531,218
Total recognised income and expenses					
- Profit for the year	-	-	-	538,527	538,527
Balance as of 31st December, 2007	17,600,000	10,716,665		(12,246,920)	16,069,745

(Forward)

Statement of Changes in Equity

	Issued capital RM	Non-distributable reserve share premium RM	Accumulated loss RM	Total RM
The Company				
Balance as of 30th September, 2005	16,000,000	10,818,413	(253,202)	26,565,211
Total recognised income and expenses				
- Loss for the period	-	-	(6,984,148)	(6,984,148)
Shares issued during the period (Note 21)	1,600,000	-	-	1,600,000
Shares issue expenses	-	(101,748)	-	(101,748)
Balance as of 31st December, 2006	17,600,000	10,716,665	(7,237,350)	21,079,315
Balance as of 1st January, 2007	17,600,000	10,716,665	(7,237,350)	21,079,315
Total recognised income and expenses - Loss for the year	-	-	(647,811)	(647,811)
Balance as of 31st December, 2007	17,600,000	10,716,665	(7,885,161)	20,431,504

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

Cash Flow Statements

FOR THE YEAR ENDED 31ST DECEMBER, 2007

(With comparative figures for the period 1st October, 2005 to 31st December, 2006)

	The Group		The Company	
	2007 (12 months) RM	2006 (15 months) RM	2007 (12 months) RM	2006 (15 months) RM
Cash Flows From/(Used In)				
Operating Activities				
Profit/(Loss) for the year/period	538,527	(7,921,653)	(647,811)	(6,984,148)
Adjustments for:				
Development expenditure written off	3,419,243	-	-	-
Depreciation of property, plant and equipment	2,117,910	706,821	236,803	293,791
Amortisation of development expenditure	1,815,148	1,815,924	-	-
Inventory write down	890,827	1,068,992	-	-
Interest expense	511,635	388,577	197,584	271,074
Income tax expense/(credit) recognised in the income statements	26,449	100,904	149	(19,178)
Allowance for doubtful receivables no longer required	(617,828)	-	-	-
Interest income	(103,585)	(68,816)	(5)	(15,253)
(Gain)/Loss on disposal of property, plant and equipment	(258)	7,887	-	2,964
Allowance for doubtful receivables	-	4,636,994	-	69,910
Property, plant and equipment written off	-	51,687	-	-
Impairment loss of investment in subsidiary companies	-	-	-	6,500,000
Operating Profit/(Loss) Before Working Capital Changes	8,598,068	787,317	(213,280)	119,160

(Forward)

Cash Flow Statements

FOR THE YEAR ENDED 31ST DECEMBER, 2007

(With comparative figures for the period 1st October, 2005 to 31st December, 2006)

	The Group		The Company	
	2007 (12 months) RM	2006 (15 months) RM	2007 (12 months) RM	2006 (15 months) RM
(Increase)/Decrease in:				-
Inventories	3,803,604	(5,698,060)	-	-
Trade receivables	(794,365)	5,660,134	-	-
Other receivables and prepaid expenses	193,639	(73,250)	19,269	(15,891)
Increase/(Decrease) in:				
Trade payables	(424,503)	(1,883,074)	-	-
Other payables and accrued expenses	783,677	105,591	290,862	86,964
Amount owing to a director	148,500	(19,472)	-	-
Cash From/(Used In) Operations	12,308,620	(1,120,814)	96,851	190,233
Interest paid	(511,635)	(388,577)	(197,584)	(271,074)
Income tax refund/(paid)	292,740	1,046,926	(149)	(9,022)
Net Cash From/(Used In) Operating Activities	12,089,725	(462,465)	(100,882)	(89,863)
Cash Flows From/(Used In) Investing Activities				
Interest received	103,585	68,816	5	15,253
Proceeds from disposal of property, plant and equipment	2,474	41,982	-	850
Purchase of property, plant and equipment *	(8,113,420)	(223,629)	(12,093)	(13,026)
(Increase)/Decrease in fixed deposit pledged	(3,711,725)	773,764	-	-
Development expenditure incurred	(1,209,187)	(2,568,322)	-	-
Net repayment from/(advances to) subsidiary companies	-	-	556,854	(820,340)
Subscription of ordinary shares in subsidiary company	-	-	-	(1,000,002)
Net Cash Used In Investing Activities	(12,928,273)	(1,907,389)	544,766	(1,817,265)

(Forward)

Cash Flow Statements

	Note	The Group		The Company	
		2007 (12 months) RM	2006 (15 months) RM	2007 (12 months) RM	2006 (15 months) RM
Cash Flows From/(Used In) Financing Activities					
Drawdown/(Repayment) of term loan		760,786	(265,926)	(239,214)	(265,926)
Drawdown of short term borrowings		184,824	405,894	-	-
Issue of shares		-	1,600,000	-	1,600,000
Share issue expenses		-	(101,748)	-	(101,748)
Net Cash From/(Used In) Financing Activities		945,610	1,638,220	(239,214)	1,232,326
Net Increase/(Decrease) In Cash And Cash Equivalents		107,062	(731,634)	204,670	(674,802)
Cash And Cash Equivalents At Beginning Of Year/Period		(337,399)	394,235	(278,383)	396,419
Cash And Cash Equivalents At End Of Year/Period	29	(230,337)	(337,399)	(73,713)	(278,383)

(Forward)

Cash Flow Statements

* During the financial year, the Group and the Company acquired property, plant and equipment through the following arrangements:

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Total cost of property, plant and equipment acquired	16,113,420	223,629	12,093	13,026
Less: Purchase consideration satisfied by: Term loans	(8,000,000)	-	-	-
Cash payments	8,113,420	223,629	12,093	13,026

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

Notes To The Financial Statement

1. GENERAL INFORMATION

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiary companies are disclosed in Note 14.

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

The registered office of the Company is located at A-11-3, (Suite 2), Northpoint Offices, Mid Valley City, No.1, Medan Syed Putra Utara, 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.

The financial statements of the Group and of the Company have been authorised for issuance by the Board of Directors in accordance with a resolution of the directors on 21st April, 2008.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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 Malaysian Accounting Standards Board ("MASB") approved accounting standards in Malaysia.

3. ADOPTION OF FINANCIAL REPORTING STANDARDS

In the current financial year, the Group and the Company adopted all of the new and revised Financial Reporting Standards ("FRS") issued by MASB that are relevant to their operations and effective for annual periods beginning on or after 1st January, 2006 as follows:

FRS 2	Share-Based Payments
FRS 3	Business Combinations
FRS 5	Non-Current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 107 ₂₀₀₄	Cash Flow Statements
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events After the Balance Sheet Date
FRS 112 ₂₀₀₄	Income Taxes
FRS 114 ₂₀₀₄	Segment Reporting
FRS 116	Property, Plant and Equipment
FRS 117	Leases
FRS 118 ₂₀₀₄	Revenue
FRS 119 ₂₀₀₄	Employee Benefits
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 124	Related Party Disclosures
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investment in Associates
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings per Share
FRS 136	Impairment of Assets
FRS 137 ₂₀₀₄	Provisions, Contingent Liabilities and Contingent Assets

Notes To The Financial Statement

The application of the revised FRS 101 has resulted in a change in the presentation of the income statements, balance sheets and statements of changes in equity and cash flow statements for the current financial year. The changes in presentation have also been applied retrospectively. With the exception of FRS 3 as explained below, the adoption of the other new and revised FRSs above did not result in substantial changes to the Group's accounting policies and does not have any financial effects on the results of the Group and of the Company for the current and prior financial years.

FRS 3: Business Combination

Under FRS 3, any excess of the Group's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities recognised over cost of acquisitions (previously referred to as "reserve on consolidation"), after reassessment, is now recognised immediately in the income statements. Prior to 1st January, 2007, negative goodwill was credited as reserve on consolidation in the balance sheet of the Group. In accordance with the transitional provisions of FRS 3, the reserve on consolidation as of 1st January, 2007 of RM1,760,900 was derecognised with a corresponding decrease in accumulated loss.

Accounting Standards Issued but Not Effective

At the date of authorisation of the financial statements, the following FRSs, amendments to FRS and Interpretations were in issue but are not yet effective until future periods:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 126	Accounting and Reporting by Retirement Benefit Plans
FRS 129	Financial Reporting in Hyperinflationary Economy
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 119 ²⁰⁰⁴	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
IC Interpretation 1	Changes in Existing Decommissioning, Restoration And Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

Notes To The Financial Statement

FRS 111, FRS 120, FRS 126, FRS 129, amendments to FRS 119²⁰⁰⁴, amendment to FRS 121 and IC Interpretations No. 1, 2, 5, 6, 7 and 8 are not expected to be relevant to the Group's and the Company's operations. The directors anticipate that the adoption of the other FRSs in future periods will have no material financial impact on the financial statements of the Group and of the Company except as disclosed below.

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 mainly deals with the recognition and measurement of financial assets, financial liabilities and certain contracts falling within its scope. The effective date of this standard has been deferred to a date to be announced by the MASB.

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 include the financial statements of the Company and its subsidiary companies mentioned in Note 14 made up to 31st December, 2007. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities. All significant intercompany transactions, balances and resulting unrealised profits are eliminated on consolidation.

Control is presumed to exist when the Group owns, directly or indirectly through subsidiary companies, more than half of the voting power of the entity.

The results of subsidiary companies acquired or disposed of during the financial year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Business Combinations

The acquisition of subsidiary companies is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3 are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the income statements.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Notes To The Financial Statement

Revenue

Sales of goods are recognised upon delivery of products and customers acceptance, if any, or performance of services, net of sales taxes and discounts. Revenue represents gross invoiced value of goods sold and services provided net of sales tax, trade discounts and allowances.

Revenue from maintenance fees is recognised in the income statements on a time basis, by reference to the agreement entered, and when the services are rendered.

Management fee of the Company is recognised when services are rendered.

Foreign Currency Conversion

The financial statements of the Group and of the Company are presented in Ringgit Malaysia, the currency of the primary economic environment in which the Group and the Company operate (its functional currency).

In preparing the financial statements of the Group and of the Company, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statements for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in income statements for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Employee Benefits

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

The Group and the Company make monthly contribution to the Employees Provident Fund ("EPF"), a statutory contributions plan for all its eligible employees. The Group's and the Company's contribution to EPF, calculated at certain prescribed rates, is charged to the income statements as mentioned in Note 7 and development expenditure as mentioned in Note 15. Once the contributions have been paid, the Group and the Company have no further payment obligations.

Income Tax

Income tax for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the "liability" method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

Notes To The Financial Statement

The carrying amount of deferred tax assets, if any, is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statements, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Property, Plant and Equipment and Depreciation

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

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%

Where parts or an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately.

At each balance sheet date, the residual values, useful lives and depreciation method of the property, plant and equipment are reviewed, and the effects of any changes are recognised prospectively.

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

Development Expenditure

Expenditure on development is charged to the income statements in the period 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 which are stated at cost less any impairment losses, 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. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also review at least at each balance sheet date.

Inventories

Inventories are valued at the lower of cost (determined on the first-in, first-out basis) and net realisable value. The cost of trading merchandise and packing materials comprises the original cost of purchase plus the cost of bringing the inventories to their present location. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

Notes To The Financial Statement

Investments

Investment in subsidiary companies, which is eliminated on consolidation, is stated at cost in the Company's financial statements. Allowance for diminution in value of investment is made when the directors consider that there is a decline, other than a temporary decline, in the value of the investment.

Impairment of Assets

At each balance sheet date, the Group and the Company review the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as an income immediately.

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.

Payables

Payables are stated at the nominal value of the consideration to be paid in the future for goods and services received.

Provisions

Provisions are made when the Group and the Company have 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Financial Assets

The Group's principal financial assets are cash and bank balances, fixed deposits with licensed banks and trade and other receivables. The Company's principal financial asset also includes amount owing by subsidiary companies.

Notes To The Financial Statement

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, bank borrowings and term loan in which they are stated at their nominal values.

Bank borrowings and equity instruments are recorded at the proceeds received, net of direct issue costs.

Cash Flow Statements

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

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.

Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. A business segment is a group of assets and operations engaged in providing products or services that are subject to risk and returns that are different from those of other business segments. A geographical segment is a distinguishable component of an entity that is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those components operating in other economics environment.

The Group operates predominantly in the information communication technology industry involving various types of activities as mentioned in Note 14. Accordingly, the financial information by industry segments of the Group's operations is not presented.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, which are described in Note 4 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements (apart from those involving estimations which are dealt with below).

• Allowances for doubtful receivables

The Group makes allowances for doubtful receivables based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful receivables requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful receivables expenses in the period in which such estimate has been changed.

(b) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes To The Financial Statement

6. REVENUE

	The Group		The Company	
	2007 (12 months) RM	2006 (15 months) RM	2007 (12 months) RM	2006 (15 months) RM
Sales of computer hardware and software	25,391,835	11,858,662	-	-
Maintenance fees	7,897,194	4,435,948	-	-
Management fee charged to subsidiary companies	-	-	864,000	1,392,000
	33,289,029	16,294,610	864,000	1,392,000

7. OPERATING COSTS APPLICABLE TO REVENUE

The operating costs classified by nature, applicable to revenue, are as follows:

	The Group		The Company	
	2007 (12 months) RM	2006 (15 months) RM	2007 (12 months) RM	2006 (15 months) RM
Purchase of trading merchandise	14,615,020	16,280,048	-	-
Changes in inventories	3,803,604	(5,698,060)	-	-
Development expenditure written off	3,419,243	-	-	-
Staff costs	3,155,918	3,163,706	398,333	385,722
Depreciation of property, plant and equipment (Note 13)	2,117,910	706,821	236,803	293,791
Amortisation of development expenditure (Note 15)	1,815,148	1,815,924	-	-
Inventory write down (Note 16)	890,827	1,068,992	-	-
Finance costs (Note 10)	511,635	388,577	197,584	271,074
Impairment loss of investment in subsidiary companies	-	-	-	6,500,000
Other expenses	3,147,527	6,468,040	1,092,202	1,469,368
	33,476,832	24,194,048	1,924,922	8,919,955

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/period amounted to RM185,602 (RM193,342 in 2006) and RM34,947 (RM36,098 in 2006), respectively.

Notes To The Financial Statement

8. OTHER INCOME/(EXPENSES)

Included in other income/(expenses) are the following:

	The Group		The Company	
	2007 (12 months) RM	2006 (15 months) RM	2007 (12 months) RM	2006 (15 months) RM
Allowance for doubtful receivables no longer required	617,828	-	-	-
Interest on fixed deposits	103,585	68,816	5	15,253
Rental income receivable from:				
Third party	10,000	-	10,000	-
Subsidiary companies	-	-	403,200	508,940
Realised gain on foreign exchange	3,925	5,590	-	-
Gain on disposal of property, plant and equipment	258	-	-	-
Directors' remuneration (Note 9)	(423,936)	(685,422)	(423,936)	(662,976)
Rental of equipment	(99,418)	(92,214)	-	-
Realised loss on foreign exchange	(86,286)	(3,001)	-	-
Audit fee:				
Current year	(68,000)	(35,000)	(18,000)	(10,000)
Underprovision in prior year	(500)	-	-	-
Allowance for doubtful receivables				
- trade	-	(2,576,989)	-	-
- non-trade	-	(2,060,005)	-	(69,910)
Property, plant and equipment written off	-	(51,687)	-	-
Rental of premises	-	(40,010)	-	-
Loss on disposal of property, plant and equipment	-	(7,887)	-	(2,964)

Notes To The Financial Statement

9. DIRECTORS' REMUNERATION

The remuneration of the directors, who are also the key management personnel, are as follows:

	The Group		The Company	
	2007 (12 months) RM	2006 (15 months) RM	2007 (12 months) RM	2006 (15 months) RM
Executive directors:				
Other emoluments	292,800	507,246	292,800	484,800
EPF contributions	35,136	58,176	35,136	58,176
	327,936	565,422	327,936	542,976
Non-executive directors:				
Fees	96,000	120,000	96,000	120,000
	423,936	685,422	423,936	662,976

The number of directors of the Company whose total remuneration during the financial year/period fall within the following bands are as follows:

	Number of directors	
	2007	2006
Executive Directors		
RM100,001 - RM200,000	1	1
RM200,001 - RM300,000	1	1
Non-Executive Directors		
RM20,001 - RM30,000	2	2
RM30,001 - RM50,000	1	-
RM50,001 - RM70,000	-	1

10. FINANCE COSTS

	The Group		The Company	
	2007 (12 months) RM	2006 (15 months) RM	2007 (12 months) RM	2006 (15 months) RM
Interest on:				
Term loan	385,994	245,124	169,759	245,124
Bank overdraft	64,718	86,565	27,825	25,950
Bankers' acceptance	60,839	42,819	-	-
Short term loan	84	14,069	-	-
	511,635	388,577	197,584	271,074

Notes To The Financial Statement

11. INCOME TAX (EXPENSE)/CREDIT

Income tax (expense)/credit consists of the following:

	The Group		The Company	
	2007 (12 months) RM	2006 (15 months) RM	2007 (12 months) RM	2006 (15 months) RM
Estimated tax payable:				
Current year/period	(26,300)	-	-	-
(Under)/Overprovision in prior years	(149)	(112,904)	(149)	7,178
	(26,449)	(112,904)	(149)	7,178
Transfer from deferred tax (Note 27):				
Current year/period	-	12,000	-	12,000
Income tax (expense)/credit	(26,449)	(100,904)	(149)	19,178

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	
	2007 (12 months) RM	2006 (15 months) RM	2007 (12 months) RM	2006 (15 months) RM
Profit/(Loss) before tax	546,976	(7,820,749)	(647,662)	(7,003,326)
Tax at the statutory tax rates of:				
20% on first RM500,000 of chargeable income	68,467	-	-	-
27% (28% in 2006) on balance of chargeable income	60,112	(2,189,810)	(174,869)	(1,960,931)
Tax effects of:				
Expenses not deductible for tax purposes	1,684,021	226,258	174,869	1,948,931
Utilisation of deferred tax assets not previously recognised	(1,786,300)	-	-	-
Deferred tax asset not recognised	-	1,951,552	-	-
Under/(Over)provision in prior years	149	112,904	149	(7,178)
Tax expense/(credit) for the year/period	26,449	100,904	149	(19,178)

Notes To The Financial Statement

As mentioned in Note 4, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to net deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of 31st December, 2007, the amount of net deferred tax assets, calculated at the current tax rate which is not recognised in the financial statements due to uncertainty of its realisation, is as follows:

	Deferred Tax Assets/(Liabilities)			
	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Tax effect of:				
Temporary differences arising from property, plant and equipment	(2,220,500)	(124,100)	2,500	2,500
Unused tax losses	4,043,000	5,265,000	18,000	18,000
Unabsorbed capital allowances	1,722,700	190,600	16,200	16,200
	3,545,200	5,331,500	36,700	36,700

The unused tax losses and unabsorbed capital allowances are subject to the approval of the Inland Revenue Board.

One of the subsidiary companies, NGC Systems Sdn. Bhd. ("NGC"), 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.

As of 31st December, 2007, NGC has tax exempt income amounting to approximately RM1,396,000 (RM1,396,000 in 2006) by virtue of its pioneer status, which is subject to the agreement of the tax authorities.

12. EARNINGS/(LOSS) PER ORDINARY SHARE

	The Group	
	2007 (12 months) RM	2006 (15 months) RM
Profit/(Loss) attributable to ordinary shareholders (RM)	538,527	(7,921,653)
Number of shares in issue as of beginning of year/period (units)	176,000,000	160,000,000
Effect of shares issued during the year/period (units)	-	10,183,807
Weighted average number of ordinary shares in issue (units)	176,000,000	170,183,807
Basic earnings/(loss) per ordinary share (sen)	0.31	(4.65)

The basic earnings/(loss) per ordinary share is calculated by dividing the Group's profit after tax and minority interest of RM538,527 (loss after tax and minority interest of RM7,921,653 in 2006) by the weighted average number of issued shares during the financial year/period.

Notes To The Financial Statement

13. PROPERTY, PLANT AND EQUIPMENT

	Office building RM	Computer software and equipment RM	Furniture, fittings, office equipment and renovation RM	Total RM
The Group				
Cost				
As of 1st October, 2005	4,032,070	2,065,544	904,899	7,002,513
Additions	-	210,059	13,570	223,629
Disposals	-	(20,940)	(56,940)	(77,880)
Written off	-	-	(79,150)	(79,150)
As of 31st December, 2006	4,032,070	2,254,663	782,379	7,069,112
Additions	-	16,092,550	20,870	16,113,420
Disposals	-	(5,188)	(200)	(5,388)
Written off	-	(777,570)	(2,813)	(780,383)
As of 31st December, 2007	4,032,070	17,564,455	800,236	22,396,761
Accumulated Depreciation				
As of 1st October, 2005	100,802	1,299,377	151,221	1,551,400
Charge for the period	100,802	402,461	203,558	706,821
Disposals	-	(8,369)	(19,642)	(28,011)
Written off	-	-	(27,463)	(27,463)
As of 31st December, 2006	201,604	1,693,469	307,674	2,202,747
Charge for the year	80,641	1,883,974	153,295	2,117,910
Disposals	-	(3,026)	(146)	(3,172)
Written off	-	(777,570)	(2,813)	(780,383)
As of 31st December, 2007	282,245	2,796,847	458,010	3,537,102
Net Book Value				
As of 31.12.2007	3,749,825	14,767,608	342,226	18,859,659
As of 31.12.2006	3,830,466	561,194	474,705	4,866,365

(Forward)

Notes To The Financial Statement

	Office building RM	Computer software and equipment RM	Furniture, fittings, office equipment and renovation RM	Total RM
The Company				
Cost				
As of 1st October, 2005	4,032,070	37,759	730,036	4,799,865
Additions	-	924	12,102	13,026
Disposals	-	-	(4,950)	(4,950)
As of 31st December, 2006	4,032,070	38,683	737,188	4,807,941
Additions	-	3,275	8,818	12,093
As of 31st December, 2007	4,032,070	41,958	746,006	4,820,034
Accumulated Depreciation				
As of 1st October, 2005	100,802	7,531	90,223	198,556
Charge for the period	100,802	9,593	183,396	293,791
Disposals	-	-	(1,136)	(1,136)
As of 31st December, 2006	201,604	17,124	272,483	491,211
Charge for the year	80,641	7,955	148,207	236,803
As of 31st December, 2007	282,245	25,079	420,690	728,014
Net Book Value				
As of 31.12.2007	3,749,825	16,879	325,316	4,092,020
As of 31.12.2006	3,830,466	21,559	464,705	4,316,730

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 borrowings obtained by the Company and a subsidiary company, as mentioned in Notes 25 and 26.

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 RM1,138,276 (RM1,058,274 in 2006).

Notes To The Financial Statement

14. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2007 RM	2006 RM
Unquoted shares in Malaysia - at cost	20,206,572	20,206,572
Less: Impairment loss	(6,500,000)	(6,500,000)
Net	13,706,572	13,706,572

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

Name of Company	Effective Equity Interest		Principal Activities
	2007 %	2006 %	
Direct subsidiary companies			
DVM Innovate Sdn. Bhd. ("DVM Innovate")	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	100	Development of software applications and provision of communication solutions
Key Alliance Sdn. Bhd.	51	51	Distribution and provision of information technology in relation to computer parts, software and accessories
DVM Communication Sdn. Bhd. ("DVM Com")	100	100	Dormant
Indirect subsidiary company, held through DVM Innovate			
DVM IntelliSource Sdn. Bhd.	100	100	Provision of business and operational support systems and services, software development and business process outsourcing

The amount owing by subsidiary companies arose mainly from advances and payments made on behalf which are unsecured, interest free and has no fixed terms of repayment.

Significant transactions between the Company with its subsidiary companies are disclosed in Note 19.

Notes To The Financial Statement

15. DEVELOPMENT EXPENDITURE

	The Group	
	2007 RM	2006 RM
Cost		
At beginning of year/period	8,355,919	5,787,597
Additions	1,209,187	2,568,322
Written off	(7,926,138)	-
At end of year/period	1,638,968	8,355,919
Accumulated Amortisation		
At beginning of year/period	2,938,314	1,122,390
Current amortisation (Note 7)	1,815,148	1,815,924
Written off	(4,506,895)	-
At end of year/period	246,567	2,938,314
Net	1,392,401	5,417,605

Included in additions to development expenditure of the Group was staff costs amounting to RM1,052,064 (RM1,727,469 in 2006). Contributions to EPF during the financial year/period amounted to RM109,610 (RM178,030 in 2006).

16. INVENTORIES

	The Group	
	2007 RM	2006 RM
At cost:		
Trading merchandise	2,823	413,200
Packing materials	-	39,904
	2,823	453,104
At realisable value:		
Trading merchandise	922,645	5,344,960
Less: Inventory write down (Note 7)	(890,827)	(1,068,992)
	31,818	4,275,968
	34,641	4,729,072

Notes To The Financial Statement

17. TRADE RECEIVABLES

	The Group	
	2007 RM	2006 RM
Trade receivables	15,157,029	13,451,514
Unbilled receivable	-	911,150
Total	15,157,029	14,362,664
Less: Allowance for doubtful receivables	(7,773,976)	(8,391,804)
Net	7,383,053	5,970,860

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

	The Group	
	2007 RM	2006 RM
Ringgit Malaysia	11,904,875	11,657,218
United States Dollar	3,252,154	2,705,446
	15,157,029	14,362,664

The trade receivables comprise amounts receivable from sales of goods. The credit period granted on sales of goods ranges from 30 to 60 days (30 to 60 days in 2006). An allowance has been made for estimated irrecoverable amounts of trade receivables of RM7,773,976 (RM8,391,804 in 2006) based on the default experience of the Group.

18. OTHER RECEIVABLES AND PREPAID EXPENSES

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Other receivables	2,096,374	2,185,654	84,051	83,289
Tax recoverable	30,500	441,665	-	-
Refundable deposits	46,260	57,235	40,580	34,780
Prepaid expenses	5,182	98,566	1,610	27,441
	2,178,316	2,783,120	126,241	145,510
Less: Allowance for doubtful receivables	(2,060,005)	(2,060,005)	(69,910)	(69,910)
	118,311	723,115	56,331	75,600

As of 31st December, 2007, the Group and the Company have an allowance for doubtful receivables on the said balances amounting to RM2,060,005 and RM69,910 (RM2,060,005 and RM69,910 in 2006) respectively.

Notes To The Financial Statement

19. RELATED PARTIES TRANSACTIONS

During the financial year/period, the significant transactions undertaken between the Company and its subsidiary companies, which are negotiated on a basis determined between the parties, are as follows:

Name of Company	Nature	The Company	
		2007 (12 months) RM	2006 (15 months) RM
DVM Innovate Sdn. Bhd.	Management fee	288,000	464,000
	Rental income	123,600	168,500
DVM Intellisource Sdn. Bhd.	Management fee	288,000	464,000
	Rental income	48,000	99,200
NGC Systems Sdn. Bhd.	Management fee	288,000	464,000
	Rental income	231,600	193,000
Key Alliance Sdn. Bhd.	Rental income	-	48,240

20. FIXED DEPOSITS WITH LICENSED BANKS

Included in the fixed deposits of the Group is an amount of RM4,681,258 (RM969,533 in 2006) placed with the local banks as security for banking facilities granted by the said banks to the subsidiary companies, as mentioned in Note 25.

The average effective interest rate of the fixed deposits ranges from 3.0% to 3.1% (3% to 3.10% in 2006) per annum.

The fixed deposits have an average maturity period of 1 to 12 months (1 to 12 months in 2006).

21. SHARE CAPITAL

	The Group and The Company	
	2007 RM	2006 RM
Authorised: 250,000,000 ordinary shares of RM0.10 each	25,000,000	25,000,000
Issued and fully paid: Ordinary shares of RM0.10 each:		
At beginning of the year/period	17,600,000	16,000,000
Issued of shares during the year/period	-	1,600,000
At end of year/period	17,600,000	17,600,000

Notes To The Financial Statement

22. SHARE PREMIUM AND RESERVE ON CONSOLIDATION

Share premium:

Share premium arose from the issuance of 40,000,000 shares of RM0.10 each at a premium of RM0.40 per share, net of listing and share issue expenses.

Reserve on consolidation:

Reserve on consolidation represents the excess of the fair value attributable to the related net assets of subsidiary companies at date of acquisition over the Company's cost of investment. Reserve on consolidation has been derecognised upon the adoption of FRS 3, Business Combinations, at the beginning of the financial year with a corresponding adjustment to opening accumulated loss as of 1st January, 2007.

The movements in reserve on consolidation are as follows:

	The Group	
	2007 RM	2006 RM
At beginning of year/period:		
As previously stated	1,760,900	1,760,900
Effect of adoption of FRS 3	(1,760,900)	-
As restated	-	1,760,900
Movement during the year/period	-	-
At end of year/period	-	1,760,900

23. 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 2006).

The foreign currency exposure profile of trade payables consists of:

	The Group	
	2007 RM	2006 RM
Ringgit Malaysia	1,538,349	2,169,423
Euro	318,675	112,104
	1,857,024	2,281,527

Notes To The Financial Statement

Other payables and accrued expenses consist of:

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Other payables	456,270	391,581	82,302	124,268
Accrued expenses	883,791	164,803	429,713	96,885
	1,340,061	556,384	512,015	221,153

The foreign currency exposure profile of other payables and accrued expenses consists of :

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Ringgit Malaysia	1,340,061	532,970	512,015	221,153
Euro	-	23,414	-	-
	1,340,061	556,384	512,015	221,153

24. AMOUNT OWING TO A DIRECTOR

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

25. BANK BORROWINGS

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Bank overdrafts (Note 29)	411,768	794,404	102,124	322,188
Bankers' acceptance, trust receipts and letter of credits	1,618,824	719,000	-	-
Short term loan	-	715,000	-	-
	2,030,592	2,228,404	102,124	322,188

Notes To The Financial Statement

The Company

The Company has bank overdraft facility amounting to RM386,000 (RM386,000 in 2006) obtained from a local bank. The said facility is secured against the office building of the Company, as mentioned in Note 13, and bears interest rate at 8.0% (7.65% in 2006) per annum.

Subsidiary Companies

The subsidiary companies have credit facilities totalling RM5.7 million (RM5.7 million in 2006) obtained from local banks. The said facilities are secured against fixed deposits, as mentioned in Note 20, corporate guarantees and certain property of the Company as mentioned in Note 13. These facilities bear interest at rates ranging from 3.65% to 8.25% (3.65% to 7.75% in 2006) per annum.

26. LONG-TERM LOAN

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Principal outstanding	11,196,132	2,435,346	2,196,132	2,435,346
Less: Amount due within 12 months (included under current liabilities)	(262,746)	(239,214)	(262,746)	(239,214)
Non-current portion	10,933,386	2,196,132	1,933,386	2,196,132

The non-current portion is repayable as follows:

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Financial years ending 31st December:				
2008	-	262,746	-	262,746
2009	286,278	286,278	286,278	286,278
2010	2,559,810	309,810	309,810	309,810
2011	2,583,342	333,342	333,342	333,342
2012 and after	5,503,956	1,003,956	1,003,956	1,003,956
	10,933,386	2,196,132	1,933,386	2,196,132

The Group has term loan facility amounting to RM12,902,000 (RM2,902,000 in 2006) obtained from a local bank. The said facility is secured against the office building of the Company, as mentioned in Note 13. The term loan bears interest at rates ranging from 6.00% to 8.25% (7.25% in 2006) per annum.

Notes To The Financial Statement

27. DEFERRED TAX LIABILITIES

	The Group and The Company	
	2007 RM	2006 RM
Balance at beginning of year/period	-	12,000
Transfer to income statements (Note 11)	-	(12,000)
Balance at end of year/period	-	-

28. 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, bank borrowings and long-term loan. The interest rates of fixed deposits, bank borrowings and long-term loan of the Group are disclosed in Note 20, 25 and 26 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 practises 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.

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.

Notes To The Financial Statement

Fair values

The carrying amount and the estimated fair value of the financial assets and liabilities as of 31st December, 2007 is as follows:

	Note	2007		2006	
		Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
The Group					
Financial Liability					
Long-term loan	26	11,196,132	9,000,774	2,435,346	1,760,625
The Company					
Financial Liability					
Long-term loan	26	2,196,132	1,640,558	2,435,346	1,760,625

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 and bank borrowings.

The fair values of these financial instruments approximates the carrying amounts due to the short maturities of these instruments.

29. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Fixed deposits with licensed banks	4,681,258	970,211	-	678
Cash and bank balances	181,431	456,327	28,411	43,127
Bank overdraft (Note 25)	(411,768)	(794,404)	(102,124)	(322,188)
	4,450,921	632,134	(73,713)	(278,383)
Less: Fixed deposit pledged (Note 20)	(4,681,258)	(969,533)	-	-
Net	(230,337)	(337,399)	(73,713)	(278,383)

Notes To The Financial Statement

30. CONTINGENT LIABILITIES

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Guarantees given to financial institutions in respect of credit facilities granted to third party	5,700,000	5,700,000	5,700,000	5,700,000
Guarantees given to financial institutions in respect of credit facilities granted to a subsidiary company	10,000,000	-	10,000,000	-
	<u>15,700,000</u>	<u>5,700,000</u>	<u>15,700,000</u>	<u>5,700,000</u>

31. SEGMENT REPORTING

The Group operates predominantly in the information communication technology industry involving various types of activities as mentioned in Note 14. Accordingly, the financial information by industry segments of the Group's operations is not presented.

The following is an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	Sales Revenue by Geographical Market	
	2007 RM	2006 RM
Malaysia	27,926,526	14,188,977
Pakistan	4,296,649	389,488
Middle East	618,445	-
Bangladesh	324,070	1,219,955
Other Asia	123,339	494,485
Europe	-	1,705
	<u>33,289,029</u>	<u>16,294,610</u>

Notes To The Financial Statement

The following is an analysis of the carrying amount of segment assets and capital additions by the geographical areas in which the assets are located:

	Carrying Amount of Segment Assets		Capital Additions	
	2007 RM	2006 RM	2007 RM	2006 RM
Malaysia	30,681,756	21,493,036	16,113,420	223,629
Middle East	1,417,703	-	-	-
Bangladesh	528,000	911,150	-	-
Europe	23,295	-	-	-
Pakistan	-	275,742	-	-
Other Asia	-	453,627	-	-
	32,650,754	23,133,555	16,113,420	223,629

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 Malaysian Accounting Standards Board 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 31st December, 2007 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

Kuala Lumpur,
21st April, 2008

CHEN CHEE PENG

STATUTORY DECLARATION

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

I, **PHAN SOON FOOK**, the Officer 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
PHAN SOON FOOK at **KUALA LUMPUR**
this 21st day of April, 2008

Before me,

COMMISSIONER FOR OATHS

List of Properties

Location	Existing Use	Office Space Area	Tenure	Approximate Age of Property (years)	Net Book Value @ 31.12.2007 (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	For Office	8,060 sq. ft.	Freehold	5	3,749,825	2004

Revaluation Policy

To date, the revaluation for the above property has not been carried out.

Statistics of Shareholdings

As at 7th May 2008

Authorised Capital	RM25,000,000
Issued and fully paid up Capital	RM17,600,000
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	5	0.1	201	0
100 to 1,000 shares	471	12.6	434,400	0.2
1,001 to 10,000 shares	1797	48.1	11,026,900	6.3
10,001 to 100,000 shares	1,241	33.2	46,928,500	26.7
100,001 to 8,799,999 shares (less than 5% of issued shares)	223	6.0	100,569,999	57.1
Above 8,800,000 shares (5% and above of issued shares)	1	0	17,040,000	9.7
TOTAL	3,738	100	176,000,000	100

LIST OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

Name	Direct	No of Shares Held		%
		%	Indirect	
Dato' Goh Kian Seng	25,932,000	14.7	0	0

LIST OF DIRECTORS' SHAREHOLDINGS

Name	Direct	No of Shares Held		%
		%	Indirect	
Dato' Goh Kian Seng	25,932,000	14.7	0	0
Chen Chee Peng	1,000,099	0.6	0	0

Statistics of Shareholdings

LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS OF 7th May 2008

No	Shareholder	No of shares	%
1	Goh Kian Seng	17,040,000	9.68
2	Goh Kian Seng	7,202,000	4.09
3	Ung Yoke Hong	5,000,000	2.84
4	A.A. Anthony Nominees(Tempatan) Sdn Bhd Pledged Securities Account for Soh Oon Hai	3,983,600	2.26
5	Fong Loong Meng	3,858,500	2.19
6	Chee Kok Wing	3,192,600	1.81
7	Kurnia Heights Sdn Bhd	3,079,000	1.75
8	Lim Wooi Beng	2,639,600	1.49
9	Choi Swee Cheng	2,185,000	1.24
10	Chen Boon Cheong	2,160,000	1.23
11	Lee Lai Huat	2,000,000	1.14
12	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goh Kiang Seng	1,690,000	0.96
13	Gooi Kee Hua	1,591,800	0.90
14	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chia Boon Seng	1,440,000	0.82
15	Tan Li Chin	1,250,000	0.71
16	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chen Chee Peng	1,000,099	0.57
17	Chua Soo Chai	1,000,000	0.57
18	Tan Chet Mei	970,000	0.55
19	Lim Kok Leng	957,000	0.54
20	Tee Siew Heng	912,500	0.51
21	Idris bin Pilus	861,200	0.49
22	Tan Bu Chin	830,000	0.47
23	Jason Yap	813,800	0.46
24	Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lau Chi Chiang	806,000	0.46
25	Ong Siok Lee	800,000	0.45
26	Lee Soon Aun @ Lee Eng Soon	762,900	0.43
27	A.A. Anthony Nominees (Asing) Sdn Bhd Pledged Securities Account for Tan Teng Yew	750,000	0.43
28	Lim Tian Tze	738,000	0.42
29	Cimsec Nominees (Tempatan) Sdn Bhd	731,000	0.41
30	Yap Lay Hoon	722,800	0.41

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting of the Company will be held at Banquet Hall, Kuala Lumpur Golf & Country Club, No.10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Tuesday, 24 June 2008 at 10 am for the following purposes:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2007 together with the Directors' and Auditors' Reports thereon.	Ordinary Resolution 1
2. To approve the payment of Directors' fees amounting to RM96,000 for the financial year ended 31 December 2007.	Ordinary Resolution 2
3. To re-elect Dato' Goh Kian Seng as Director who retires by rotation in accordance with Article 81 of the Company's Articles of Association.	Ordinary Resolution 3
4. To consider and if thought fit, to pass the following resolution in accordance with Section 129(6) of the Companies Act, 1965:- "THAT Gen (R) Tan Sri Abdul Rahman Bin Abdul Hamid, retiring pursuant to Section 129(6) of the Companies Act, 1965 be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."	Ordinary Resolution 4
5. To approve:- i) the re-appointment of retiring Auditors, Messrs. Deloitte & Touche as Auditors of the Company and to authorise the Directors to fix their remuneration; OR ii) the appointment of Messrs. SJ Grant Thornton in place of retiring Auditors, Messrs. Deloitte & Touche for which Notice of Nomination as set out on Appendix I of the Annual Report have been received and to authorise the Directors to fix their remuneration.	Ordinary Resolution 5

As Special Business

To consider and if thought fit, to pass the following ordinary and special resolutions:-

6. Authority to 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 until the conclusion of the next Annual General Meeting 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. "	Ordinary Resolution 6
7. Proposed Amendments to the Articles Of Association "THAT the deletions, alterations, modification, variations and additions of the Articles of Association of the Company as contained in the Appendix II attached to the Annual Report 2007 be and are hereby approved."	Special Resolution 7
8. 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
2 June, 2008

Notice of Annual General Meeting

Notes

(A) APPOINTMENT OF PROXY

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 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. If the appointor is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised.
4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at the Registered Office of the Company at A-11-3 (Suite 2), Northpoint Offices, Mid Valley City, No 1, Medan Syed Putra Utara, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding this meeting or any adjournment thereof.

(B) EXPLANATORY NOTE UNDER SPECIAL BUSINESS

1. Ordinary Resolution No. 6

The proposed Ordinary Resolution 6, 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 best 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.

2. Special Resolution No. 7

The proposed Special Resolution No. 7, if passed, will add clarity to and streamline the Articles of Association with the provisions of the Companies Act, 1965 and Listing Requirements of Bursa Malaysia Security Berhad; and to enhance the administration of the Company's internal affairs. Further information on the Proposed Amendment to the Articles of Association of the Company is set out in Appendix II attached to the Annual Report 2007 of the Company.

Statement Accompanying Notice of Annual General Meeting

1. Director Standing for re-election

The director retiring by rotation and standing for re-election pursuant to Article 81 of the Articles of Association of the Company is:

- Dato' Goh Kian Seng

His profile is set out in the section entitled "Profile of Directors" on page 4

The director to be re-appointed pursuant to Section 129(6) of the Companies Act, 1965 is General (R) Tan Sri Abdul Rahman Bin Abdul Hamid

His profile is set out in the section entitled "Profile of Directors" on page 4

2. Date, Time, Venue of the Annual General Meeting

The Fifth Annual General Meeting of the Company will be held as follows:-

Date : 24 June 2008

Time : 10.00 am

Venue : Banquet Hall, Kuala Lumpur Golf & Country Club
No 10 Jalan 1/70D, Off Jalan Bukit Kiara
60000 Kuala Lumpur

APPENDIX I

NOTICE OF NOMINATION OF AUDITORS

Dato' Goh Kian Seng
No.8, Jalan SL8/15
Bandar Sungai Long
Batu 11 Cheras
43000 Kajang
Selangor

12 May 2008

The Board of Directors
DVM Technology Berhad
Suite 3A-7, Level 7,
Block 3A, Plaza Sentral,
Jalan Stesen Sentral 5,
Kuala Lumpur Sentral.
50470 Kuala Lumpur

Dear Sirs,

NOTICE OF NOMINATION OF AUDITORS

I, being a registered shareholder of your Company, hereby give notice, pursuant to Section 172(11) of the Companies Act, 1965 of my nomination of Messrs SJ Grant Thornton for appointment as auditors of the Company in place of the retiring auditors, Messrs Deloitte & Touche, and of my intention to propose the following as an ordinary resolution at the forthcoming Annual General Meeting of the Company:-

"To approve the appointment of Messrs SJ Grant Thornton as auditors of the Company for the financial year ending 31 December 2008 in place of the retiring auditors, Messrs Deloitte & Touche, and to authorise the Directors to fix their remuneration."

Thank you.

Yours very truly,



Dato' Goh Kian Seng
Shareholder

APPENDIX II

PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

The proposed Amendments of the Articles involved the following amendments:-

Article No.	Existing Provision	Amended Provision
Article 2 (New Definition)	None	Securities Laws "The Capital Markets and Services Act 2007; and Central Depositories Act."
Article 5	<p>Rights of preference shareholders</p> <p>Subject to the Act, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed but the total nominal value of the issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time and the Company shall not issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have the same rights as ordinary shareholders in relation to receiving notices, reports, and audited accounts and attending general meetings of the Company. Preference shareholders shall also have the rights to vote at any meeting convened:-</p> <p>(a) where any resolution or proposal is to be submitted to the meeting:</p> <p>(i) for the purpose of reducing the share capital of the Company, disposing of the whole of the property, business or undertaking of the Company or winding up of the Company; or</p> <p>(ii) which affects rights attached to the preference shares;</p> <p>(b) when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months; or</p> <p>(c) during the winding up of the Company.</p> <p>The right attaching to shares of a class other than ordinary shares shall be expressly set out in these Articles.</p>	<p>Rights of preference shareholders</p> <p>Subject to the Act, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed and the Company shall not issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have the same rights as ordinary shareholders in relation to receiving notices, reports, and audited accounts and attending general meetings of the Company. Preference shareholders shall also have the rights to vote at any meeting convened:-</p> <p>(a) where any resolution or proposal is to be submitted to the meeting:</p> <p>(i) for the purpose of reducing the share capital of the Company, disposing of the whole of the property, business or undertaking of the Company or winding up of the Company; or</p> <p>(ii) which affects rights attached to the preference shares;</p> <p>(b) when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months; or</p> <p>(c) during the winding up of the Company.</p> <p>The right attaching to shares of a class other than ordinary shares shall be expressly set out in these Articles.</p>

(Forward)

APPENDIX II

<p>Article 55</p>	<p>Notice of Meeting</p> <p>Subject to the provisions of the Act relating to convening meetings to pass special resolutions, every notice convening meetings shall specify the place, the day and the hour of the meeting and shall be given to all Members at least fourteen (14) days before the meeting, or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice (in the case where any special resolution is proposed or where it is the annual general meeting) of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to the Exchange upon which the Company is listed.</p>	<p>Notice of Meeting</p> <p>Subject to the provisions of the Act relating to convening meetings to pass special resolutions, every notice convening meetings shall be exclusive of the day which is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of the meeting and shall be given to all Members at least twenty-one (21) days before the meeting where it is an annual general meeting or where any special resolution is to be proposed. A meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed subject to the provisions of the Act by Members entitled to attend and vote at such meeting. The notice shall also specify the place, the day and the hour of the meeting and, in the case of special business shall also specify the general nature of that business and shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least twenty-one (21) days' notice (in the case where any special resolution is proposed or where it is the annual general meeting) of every such meeting shall be given by advertisement at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to the Exchange upon which the Company is listed.</p>
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Proxy Form



DVM Technology Berhad (609953-K)

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.) of

or failing him / her, (I/C No.)

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 Fifth 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 Tuesday, 24 June 2008 at 10 am and at any adjournment thereof, as indicated below:-

No	Resolution	For	Against
Resolution 1	Receiving the Audited Financial Statements for the year ended 31 December 2007 together with the Directors' and Auditors' Reports thereon.		
Resolution 2	Approval of payment of the Directors' Fees amounting to RM96,000 for the financial year ended 31 December 2007		
Resolution 3	Re-election of Dato' Goh Kian Seng		
Resolution 4	Re-appointment of Gen (R) Tan Sri Abdul Rahman Bin Abdul Hamid		
Resolution 5	(i) Re-appointment of Messrs. Deloitte & Touche as auditors and to authorise the Directors to fix their remuneration; OR (ii) Appointment of Messrs. SJ Grant Thornton in place of retiring Auditors, Messrs. Deloitte & Touche and to authorise the Directors to fix their remuneration.		
Resolution 6	Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965		
Resolution 7	Approval of Proposed amendments to the Articles of Association of the Company		

(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 2008

.....
Signature of Shareholder(s) or Common Seal

Number of shares held

Note:

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 appointer or his attorney duly authorised in writing. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at A-11-3 (Suite 2), Northpoint Offices, Mid Valley City, No.1, Medan Syed Putra Utara, 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

Fold this flap for sealing



The Company Secretary
DVM Technology Berhad
(Company No. 609953-K)

A-11-3 (Suite2) Northpoint Offices,
Mid Valley City,
No 1 Medan Syed Putra Utara,
59200 Kuala Lumpur

Fold this flap for sealing

www.dvm.com.my

DVM Technology Berhad (609953-K)

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