

DVM TECHNOLOGY BERHAD (609953-K)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FIRST QUARTER ENDED 31 MARCH 2008

The figures have not been audited

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	2008	2007	2008	2007
	CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	<u>31/3/2008</u> RM'000	<u>31/3/2007</u> RM'000	<u>31/3/2008</u> RM'000	<u>31/3/2007</u> RM'000
REVENUE	7,034	3,720	7,034	3,720
Operating profit	1,491	767	1,491	767
Amortisation and depreciation	(1,098)	(547)	(1,098)	(547)
Interest expense	(252)	(66)	(252)	(66)
Other income	40	7	40	7
(Loss) / Profit before taxation	<u>181</u>	<u>161</u>	<u>181</u>	<u>161</u>
Taxation	(6)	0	(6)	0
(Loss) / Profit after taxation	<u>175</u>	<u>161</u>	<u>175</u>	<u>161</u>
Minority interest	0	0	0	0
Net (Loss) / Profit for the period	<u><u>175</u></u>	<u><u>161</u></u>	<u><u>175</u></u>	<u><u>161</u></u>
Weighted average number of shares in issue ('000)	176,000	176,000	176,000	176,000
(Loss)/Earnings per share (sen) - basic	0.10	0.09	0.10	0.09

The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to this interim financial statements.

DVM TECHNOLOGY BERHAD (609953-K)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 March 2008

	<u>(UNAUDITED)</u>	<u>(AUDITED)</u>
	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
	<u>31/3/2008</u>	<u>31/12/07</u>
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	19,875	18,860
Development Expenditure	1,549	1,392
	<u>21,424</u>	<u>20,252</u>
Current Assets		
Stock Inventory	35	35
Trade and other receivables	4,451	7,501
Fixed deposits with licensed banks	5,521	4,681
Tax recoverable	22	0
Cash and bank balances	437	182
	<u>10,466</u>	<u>12,399</u>
TOTAL ASSETS	<u>31,890</u>	<u>32,651</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Issued capital	17,600	17,600
Share premium	10,717	10,717
Reserve on consolidation	0	0
Accumulated Loss	(12,052)	(12,247)
Total Equity	<u>16,265</u>	<u>16,070</u>
Non-current Liability		
Term loan	<u>12,731</u>	<u>10,933</u>
Current Liabilities		
Trade and other payables	2,190	3,354
Bank overdrafts	441	412
Bank borrowings	0	1,619
Term loan	263	263
Tax liabilities	0	0
	<u>2,894</u>	<u>5,648</u>
Total Liabilities	<u>15,625</u>	<u>16,581</u>
TOTAL EQUITY AND LIABILITIES	<u>31,890</u>	<u>32,651</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.09	0.09

The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Audited Financial Statements for the financial period ended 31 December 2007 and the accompanying explanatory notes attached to this interim financial statements.

DVM TECHNOLOGY BERHAD (609953-K)
(Incorporated in Malaysia)
Unaudited Consolidated Statement of Changes in Equity
For the first quarter ended 31 March 2008
(Unaudited)

	Issued Capital	Share Premium	Non-distributable reserve - Reserve on consolidation	(Accumulated Loss)	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as of 1 January 2008	17,600	10,717	0	(12,227)	16,090
Net profit for the period	0	0	0	175	175
Balance as of 31 March 2008	<u>17,600</u>	<u>10,717</u>	<u>0</u>	<u>(12,052)</u>	<u>16,265</u>
Balance as of 1 January 2007	17,600	10,717	1,761	(14,546)	15,532
Effects of FRS 3 adoption	0	0	(1,761)	1,761	0
As restated	<u>17,600</u>	<u>10,717</u>	<u>0</u>	<u>(12,785)</u>	<u>15,532</u>
Net Profit for the period	0	0	0	161	161
Balance as of 31 March 2007	<u>17,600</u>	<u>10,717</u>	<u>0</u>	<u>(12,624)</u>	<u>15,693</u>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to this interim financial statements.

DVM TECHNOLOGY BERHAD (609953-K)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the first quarter ended 31 March 2008
(Unaudited)

	3 Months Ended 31/03/08 RM'000	3 Months Ended 31/03/07 RM'000
Cash Flows from Operating Activities		
Profit before tax	181	161
Adjustment for:		
Non-cash items	252	880
Non-operating items	1,098	(9)
	<u>1,531</u>	<u>1,032</u>
Operating profit before working capital changes	1,531	1,032
Net changes in current assets	3,050	(2,596)
Net changes in current liabilities	(1,164)	3,343
	<u>3,417</u>	<u>1,779</u>
Cash from operations	3,417	1,779
Interest paid	(252)	(66)
Net tax paid	(62)	(62)
	<u>3,165</u>	<u>1,651</u>
Net cash generated from operating activities	3,165	1,651
Cash Flows from Investing Activities		
Interest received	0	9
Purchase of property, plant and equipment	(2,024)	(25)
Development expenditure incurred	(246)	(401)
Proceeds from disposal of property, plant and equipment	0	0
Net cash used in investing activities	<u>(2,270)</u>	<u>(417)</u>
	(2,270)	(417)
Cash Flows from Financing Activities		
Increased in fixed deposits pledged	(840)	(61)
Repayment of term loan	0	(38)
Net drawdown of bank borrowings	(1,619)	228
Drawdown from term loan	1,798	0
Net cash generated from financing activities	<u>(661)</u>	<u>129</u>
	(661)	129
Net Decrease in Cash and Cash Equivalents	234	1,363
Cash and Cash Equivalents at beginning of year	(230)	(337)
Cash and Cash Equivalents at end of period	<u>4</u>	<u>1,026</u>
	4	1,026
Cash and Cash Equivalents comprise of:		
Fixed deposits with licensed bank	5,521	3,530
Cash and bank balances	437	43
Bank overdrafts	(441)	(1,517)
	<u>5,517</u>	<u>2,056</u>
Less : Fixed deposits pledged	(5,521)	(1,030)
	<u>(4)</u>	<u>1,026</u>
	(4)	1,026

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to this interim financial statements.

DVM TECHNOLOGY BERHAD (*Company No. 609953-K*)
(Incorporated in Malaysia)
NOTES TO THE QUARTERLY REPORT – 31 MARCH 2008

A. EXPLANATORY NOTES

A1. Basis of Preparation

The Quarterly Report has been prepared in accordance with the reporting requirements outlined in the Financial Reporting Standards ("FRS") 134 - Interim Financial Reporting and Rule 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities") for the MESDAQ Market ("MMLR"), and should be read in conjunction with the Group's audited financial statements for the financial period ended 31 December 2007.

The significant accounting policies adopted by the Group are consistent with those adopted for the audited financial statements for the financial period ended 31 December 2007 except for the adoption of the following new/revised FRS during the current twelve (12) months financial period under review:

FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets

The adoption of the above FRS does not have any significant financial impact on the Group, except as presented below:

A2. Auditors' Report

The auditors' report for the Group's annual financial statements for the financial period ended 31 December 2007 was not subject to any qualification.

A3. Seasonal or Cyclical Factors

The Group does not experience any significant seasonal or cyclical sales cycle. However, there may be fluctuations between the quarters due to the nature of the Group's integration businesses which are secured on a project by project basis.

A4. Unusual Items

During the financial quarter under review, there were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group.

A5. Material Changes in Estimates

There were no changes in the estimate of amounts reported in the prior quarter or financial year which have material effect on the current quarter results.

A6. Changes in Debts and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares during the current quarter under review.

A7. Dividend

No dividend has been declared or paid during the current financial year-to-date under review.

A8. Segmental Reporting

The Group only operates in one industry (i.e. the information communication technology industry) which is based in Malaysia. Therefore, there is no disclosure of segmental information as required by FRS 114.

A9. Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment. Hence, the valuation of property, plant and equipment has been brought forward without amendment from the previous annual financial statement.

A10. Subsequent Events

There were no material events subsequent to the end of the current quarter under review up to the date of this quarterly report.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current interim financial period under review.

A12. Changes in Contingent Assets and Contingent Liabilities

There were no material contingent assets or contingent liabilities as at the date of this quarterly report except for the corporate guarantees given to banks by DVM Technology Berhad for granting credit facilities to its wholly owned subsidiary companies amounting to RM15,700,000 and corporate guarantees given to suppliers for granting and securing of trade supplies.

DVM TECHNOLOGY BERHAD (*Company No. 609953-K*)
(Incorporated in Malaysia)

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2008

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA
SECURITIES BERHAD'S LISTING REQUIREMENTS**

B1. Review of Performance for the Current Quarter and Year-to-date

The Group recorded a revenue of RM7.03 million and this performance was driven mainly by the projects secured for the network and systems integration and the Genico Broadband Telephony products from both local and overseas customers. The Group recorded a profit after taxation of RM0.1 million as a result of the lower operating costs incurred for the current quarter.

B2. Future Prospect

Barring unforeseen circumstances, the Board is optimistic that the Group's performance will continue to be satisfactory for the remainder financial year ending 31 December 2008.

B3. Material Changes in Profit/Loss Before Taxation Compared to the Results of the Immediate Preceding Quarter

For the current quarter under review, the Group's revenue of RM7.03 million was lower compared to the revenue of the immediate preceding quarter of RM11 million. This was attributed mainly to a dip in the billings for the products and services in the first quarter of the year.

The profit after tax of RM0.1 million was higher than preceding loss of RM0.1 million due to lower operating costs incurred.

B4. Profit Forecast

- (a) No profit forecast was announced hence there was no comparison made with the actual results.
- (b) There is no shortfall in profit guarantee as the Group did not provide any profit guarantee.

B5. Taxation

There is an estimated tax provision of RM6,000 for the quarter

B6. Profit on sale of Unquoted Investments and/or Properties

There was no disposal of unquoted investments and/or properties for the current quarter and financial year-to-date under review.

B7. Purchase and Disposal of Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter and financial year-to-date under review.

The Group does not have any material investment in quoted securities as at the reporting date.

B8. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this quarterly report.

B9. Group Borrowings and Debt Securities

Save as disclosed below, there are no other borrowings or debts securities in the DVM Group:

	Short-term RM'000	Long-term RM'000	Total RM'000
<u>Secured</u>			
Bank overdraft	441	-	441
Short-term loan	-	-	-
Term loan	263	12,731	12,994
	<u>704</u>	<u>12,731</u>	<u>13,435</u>

The bank overdraft, short-term loan and term loan are secured by way of fixed deposits pledged by the subsidiary companies, a charge over the office building of the Company and corporate guarantee by the Company. The term loan is also secured by way of a fixed and floating charge, and debenture over the subsidiary company.

All borrowings are denominated in Ringgit Malaysia.

B10. Off Balance Sheet Financial Instruments

The Group does not have any off-balance sheet financial instruments as at the date of this quarterly report.

B11. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant. The directors do not have any knowledge of any proceedings pending or threatened against the Group since the last financial period ended 31 December 2007 up to the date of this quarterly report.

B12. Dividend

No dividend has been declared or paid during the current quarter and the financial year-to-date under review.

B13. (Loss)/Earnings Per Share

The earnings per share for the current quarter and cumulative quarter year-to-date are computed as follows:

	Individual Quarter - Current Quarter	Preceding Corresponding Quarter	Cumulative Quarters - Current Year To Date	Preceding Corresponding Quarter
Net (loss)/profit for the period (RM'000)	175	161	175	161
Weighted average number of ordinary shares in issue ('000)	176,000	176,000	176,000	176,000
(Loss)/Earnings per share (sen) <i>(Basic and Diluted)</i>	0.10	0.09	0.10	0.09