

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FIRST QUARTER ENDED 31 MARCH 2009

The figures have not been audited

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	2009	2008	2009	2008
	CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	<u>31/3/2009</u> RM'000	<u>31/3/2008</u> RM'000	<u>31/3/2009</u> RM'000	<u>31/3/2008</u> RM'000
REVENUE	14,987	7,034	14,987	7,034
Operating profit	1,879	1,491	1,879	1,491
Amortisation and depreciation	(1,046)	(1,098)	(1,046)	(1,098)
Interest expense	(289)	(252)	(289)	(252)
Other income	145	40	145	40
Profit before taxation	<u>689</u>	<u>181</u>	<u>689</u>	<u>181</u>
Taxation	0	(6)	0	(6)
Profit after taxation	<u>689</u>	<u>175</u>	<u>689</u>	<u>175</u>
Attributable to:				
Equity holders of the company	459	175	459	175
Minority interest	230	0	230	0
Net Profit for the period	<u><u>689</u></u>	<u><u>175</u></u>	<u><u>689</u></u>	<u><u>175</u></u>
Weighted average number of shares in issue ('000)	176,000	176,000	176,000	176,000
Earnings per share (sen) - basic	0.26	0.10	0.26	0.10

The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2008 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 2009

	<u>(UNAUDITED)</u>	<u>(AUDITED)</u>
	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
	<u>31/3/2009</u>	<u>31-12-08</u>
	RM'000	RM'000 (Restated)
ASSETS		
Non-current Assets		
Property, Plant and Equipment	38,831	38,139
Development Expenditure	2,081	1,951
	<u>40,912</u>	<u>40,090</u>
Current Assets		
Stock Inventory	30	30
Trade and other receivables	9,837	18,393
Fixed deposits with licensed banks	7,463	6,850
Tax recoverable	31	0
Cash and bank balances	164	310
	<u>17,525</u>	<u>25,583</u>
TOTAL ASSETS	<u><u>58,437</u></u>	<u><u>65,673</u></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	(11,335)	(11,794)
Minority Interest	230	0
Total Equity	<u>17,212</u>	<u>16,523</u>
Non-current Liability		
Bank borrowings	<u>27,579</u>	<u>26,775</u>
Current Liabilities		
Trade and other payables	6,421	15,854
Bank overdrafts	1,555	1,349
Bank borrowings	5,670	5,172
Tax liabilities	0	0
	<u>13,646</u>	<u>22,375</u>
Total Liabilities	<u>41,225</u>	<u>49,150</u>
TOTAL EQUITY AND LIABILITIES	<u><u>58,437</u></u>	<u><u>65,673</u></u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.10	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 2008 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 2009****(Unaudited)**

	Issued Capital	Share Premium	Non-distributable reserve - Reserve on consolidation	(Accumulated Loss)	Minority Interest	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as of 1 January 2009	17,600	10,717	0	(11,794)	0	16,523
Net profit for the period	0	0	0	459	230	689
Balance as of 31 March 2009	<u>17,600</u>	<u>10,717</u>	<u>0</u>	<u>(11,335)</u>	<u>230</u>	<u>17,212</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 2008 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 2009
(Unaudited)

	3 Months Ended 31-03-09 RM'000	12 Months Ended 31-12-08 RM'000
Cash Flows from Operating Activities		
Profit before tax	689	371
Adjustment for:		
Non-cash items	202	1,424
Non-operating items	<u>1,046</u>	<u>3,278</u>
Operating profit before working capital changes	1,937	5,073
Net changes in current assets	8,570	(10,904)
Net changes in current liabilities	<u>(9,433)</u>	<u>12,499</u>
Cash from operations	1,074	6,668
Interest paid	(289)	(1,118)
Net tax paid		12
Net cash generated from operating activities	<u>785</u>	<u>5,562</u>
Cash Flows from Investing Activities		
Interest received	55	187
Purchase of property, plant and equipment	(1,596)	(6,465)
Development expenditure incurred	(271)	(990)
Acquisition of subsidiary company, net of cash acquired	0	69
Proceeds from disposal of property, plant and equipment	<u>0</u>	<u>2,865</u>
Net cash used in investing activities	<u>(1,812)</u>	<u>(4,334)</u>
Cash Flows from Financing Activities		
Increased in fixed deposits pledged	(613)	(2,169)
Repayment of hire purchase	118	0
Repayment of term loan	0	(605)
Net drawdown of bank borrowings	143	737
Drawdown from term loan	<u>1,027</u>	<u>0</u>
Net cash generated from financing activities	<u>675</u>	<u>(2,037)</u>
Net Decrease in Cash and Cash Equivalents	<u>(352)</u>	<u>(809)</u>
Cash and Cash Equivalents at beginning of year	<u>(1,039)</u>	<u>(230)</u>
Cash and Cash Equivalents at end of period	<u><u>(1,391)</u></u>	<u><u>(1,039)</u></u>
Cash and Cash Equivalents comprise of:		
Fixed deposits with licensed bank	7,463	6,850
Cash and bank balances	164	310
Bank overdrafts	<u>(1,555)</u>	<u>(1,349)</u>
	6,072	5,811
Less : Fixed deposits pledged	<u>(7,463)</u>	<u>(6,850)</u>
	<u><u>(1,391)</u></u>	<u><u>(1,039)</u></u>

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 2008 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 2009

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 2008.

The significant accounting policies adopted by the Group are consistent with those adopted in the audited financial statements for the financial period ended 31 December 2008.

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 2008 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 RM5,700,000 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 2009

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 RM14.98 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 RM0.7 million as a result of higher sales revenue 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 2009.

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 RM14.98 million was higher compared to the revenue of the immediate preceding quarter of RM7.03 million. This was attributed mainly to an increase of billings for the products and services in the first quarter of the year.

The profit after tax of RM0.7 million was higher than preceding profit of RM0.1 million due to higher sales revenue 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

No provision of taxation is made as the Group has unutilized tax losses.

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	1,555	-	1,555
Short-term loan	1,157	-	1,157
Hire purchase payable	26	106	132
Term loan	4,487	27,473	31,960
	<u>7,225</u>	<u>27,579</u>	<u>34,804</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 2008 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. 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 profit for the period (RM'000)	459	175	459	175
Weighted average number of ordinary shares in issue ('000)	176,000	176,000	176,000	176,000
Earnings per share (sen) <i>(Basic and Diluted)</i>	0.26	0.10	0.26	0.10