THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY. If you have sold or transferred all your ordinary shares in DVM Technology Berhad (609953-K) ("DVM" or "our Company"), you should at once hand this Abridged Prospectus together with the Notice of Provisional Allotment ("NPA") and Rights Subscription Form ("RSF") to the agent/broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue with Warrants (as defined herein), which is the subject of this Abridged Prospectus should be addressed to our Share Registrar, Equiniti Services Sdn Bhd.

This Abridged Prospectus, together with the NPA and RSF are only despatched to our shareholders who have provided our Share Registrar with a registered address in Malaysia and whose names appear on our Record of Depositors not later than 5.00 p.m. on 10 June 2013. This Abridged Prospectus together with the NPA and RSF, are not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders (as defined herein) and their renouncee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers as to whether the acceptance or renunciation (as the case may be) of all or any part of their entitlements to the Rights Issue with Warrants would result in the contravention of any laws of such countries or jurisdictions. Neither we nor M&A Securities Sdn Bhd (15017-H) ("M&A Securities") shall accept any responsibility or liability in the event that any acceptance or renunciation made by the Entitled Shareholders or their renouncee(s) (if applicable) are or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

A copy of this Abridged Prospectus, together with the NPA and RSF, has been registered with the Securities Commission Malaysia ("SC"). The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in the Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this Abridged Prospectus, together with the NPA and RSF, have also been lodged with the Companies Commission of Malaysia, who takes no responsibility for the contents of these documents.

Approval for the Rights Issue with Warrants has been obtained from our shareholders at the Extraordinary General Meeting held on 29 March 2013. Approval for the issuance of the Warrants (as defined herein) to non-resident shareholders of our Company has been obtained from Bank Negara Malaysia via its letter dated 3 July 2012. Approval-in-principle has also been obtained from Bursa Malaysia Securities Berhad (635998-W) ("Bursa Securities") via its letter dated 25 February 2013 for the admission of the Rights Shares (as defined herein) and Warrants to the Official List of Bursa Securities and the listing of the new DVM Shares (as defined herein) to be issued upon exercise of the Warrants on the ACE Market of Bursa Securities. The listing and quotation for the Rights Shares and Warrants will commence after, amongst others, receipt of confirmation from Bursa Malaysia Depository Sdn Bhd (165570-W) that all the Central Depository System accounts of the Entitled Shareholders have been duly credited and notices of allotment have been despatched to the Entitled Shareholders. Admission of the Rights Shares and Warrants to the Official List of Bursa Securities and quotation of the Rights Shares, Warrants and new DVM Shares to be issued upon exercise of the Warrants on the ACE Market of Bursa Securities are in no way reflective of the merits of the Rights Issue with Warrants.

All the documentation relating to this Rights Issue with Warrants including this Abridged Prospectus, together with the NPA and RSF, have been seen and approved by our Board of Directors and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in these documents false or misleading.

M&A Securities, being the Adviser for this Rights Issue with Warrants, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, SEE "RISK FACTORS" AS SET OUT IN SECTION 6 HEREIN.

DVM TECHNOLOGY BERHAD

(Company No.: 609953-K)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 387,200,000 NEW ORDINARY SHARES OF RM0.10 EACH IN DVM ("RIGHTS SHARES") TOGETHER WITH UP TO 290,400,000 NEW FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF FOUR (4) RIGHTS SHARES TOGETHER WITH THREE (3) WARRANTS FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM0.10 EACH HELD IN DVM AT 5.00 P.M. ON 10 JUNE 2013 AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE PAYABLE IN FULL UPON ACCEPTANCE

Adviser

M&A SECURITIES SDN BHD (15017-H)

(A Wholly-Owned Subsidiary of Insas Berhad)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:

Entitlement Date	:	Monday, 10 June 2013 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	:	Monday, 17 June 2013 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	:	Thursday, 20 June 2013 at 4.00 p.m.
Last date and time for acceptance and payment	:	Tuesday, 25 June 2013 at 5.00 p.m.*
Last date and time for excess application and payment	:	Tuesday, 25 June 2013 at 5.00 p.m.*

* or such later date and time as our Directors may determine and announce not less than two (2) Market Days (as defined herein) before the stipulated date and time.

This Abridged Prospectus is dated 10 June 2013

Company No. 609953-K

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

SHAREHOLDERS/INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("CMSA").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS FOR WHICH ANY OF THE PERSON SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

Except where the context otherwise requires, the following definitions and abbreviations shall apply throughout this Abridged Prospectus, NPA and RSF:-

"Abridged Prospectus"	:	This Abridged Prospectus issued by us dated 10 June 2013
"ACE Market LR"	:	ACE Market Listing Requirements of Bursa Securities
"Act"	:	The Companies Act, 1965 as amended from time to time and any re-enactment thereof
"Amendment"	:	Amendment to the Memorandum consequent to the IASC and to facilitate the issuance of the Rights Shares pursuant to the Rights Issue with Warrants
"BNM"	:	Bank Negara Malaysia
"Board"	:	Board of Directors of the Company
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"CDS"	:	Central Depository System
"CDS Account(s)"	:	A securities account established by Bursa Depository for a depositor pursuant to the Securities Industry (Central Depositories) Act, 1991 and the rules of Bursa Depository for the recording of deposits or withdrawal of securities and dealings in such securities by the depositor
"Code"	:	Malaysian Code on Take-overs and Mergers, 2010, as amended from time to time and any re-enactment thereof
"DVM" or "Company"	:	DVM Technology Berhad
"DVM Group" or "Group"	:	DVM and its subsidiaries
"DVM Shares" or "Shares"	:	Ordinary shares of RM0.10 each in DVM
"DGKS"	:	Dato' Goh Kian Seng
"Deed Poll"	:	The deed poll executed by our Company on 27 May 2013 constituting the Warrants
"EGM"	:	Extraordinary general meeting
"Entitled Shareholder(s)"	:	Our shareholder(s) whose names appear on our Record of Depositors on the Entitlement Date
"Entitlement Date"	:	At 5.00 p.m. on 10 June 2013, being the time and date which the Entitled Shareholder(s) must be registered in our Record of Depositors with Bursa Depository in order to be entitled to participate in the Rights Issue with Warrants
"EPS"	:	Earnings per share
"Equiniti" of "Share Registrar"	:	Equiniti Services Sdn Bhd
"Exercise Price"	:	Price at which one (1) Warrant is exercisable into one (1) DVM Share, being RM0.10, subject to such adjustments as may be allowed under the Deed Poll
"FYE"	:	Financial year ended/ending 31 December, as the case may be
"FPE"	:	Financial period ended/ending

DEFINITIONS *(Cont'd)*

"GDP"	:	Gross Domestic Product
"GP"	:	Gross profit
"IASC"	:	Increase in the authorised share capital of our Company from RM50,000,000 comprising 500,000,000 DVM Shares to RM100,000,000 comprising 1,000,000,000 DVM Shares (by the creation of 500,000,000 new Shares)
"ICT"	:	Information and Communications Technology
"Incubatees"	:	New entrepreneurs and/or startup companies at the ideation phase of a business via the provision of funding and/or business coaching/mentor to grow its business
"IT"	:	Information technology
"IP"	:	Intellectual property
"Issue Price"	:	The issue price pursuant to the Rights Issue with Warrants of RM0.10 per Rights Share
"LAT"	:	Loss after taxation
"LBT"	:	Loss before taxation
"LPD"	:	13 May 2013, being the latest practicable date prior to the issuance of this Abridged Prospectus
"LPS"	:	Loss per Share
"Market Day(s)"	:	A day on which Bursa Securities is open for trading in securities
"Memorandum"	:	Memorandum of Association of DVM
"Maximum Scenario"	:	Assuming all Entitled Shareholders fully subscribe for their respective entitlements under the Rights Issue with Warrants
"Minimum Scenario"	:	Assuming only DGKS subscribes for the Rights Issue with Warrants pursuant to his Undertaking
"Minimum Subscription Level"	:	The minimum subscription level of the Rights Issue with Warrants to raise the minimum gross proceeds of RM8,200,000
"M&A Securities"	:	M&A Securities Sdn Bhd
"NA"	:	Net assets
"NPA"	:	Notice of Provisional Allotment in relation to the Rights Issue with Warrants
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"Proposals"	:	Rights Issue with Warrants, Amendment and IASC
"R&D"	:	Research and development
"Record of Depositors"	:	A record of depositors established and maintained by Bursa Depository under the rules of depository, as amended from time to time
"Rights Issue with Warrants"	:	Renounceable rights issue of up to 387,200,000 Rights Shares together with up to 290,400,000 Warrants on the basis of four (4) Rights Shares together with three (3) Warrants for every two (2) existing DVM Shares held on the Entitlement Date, at an issue price of RM0.10 per Rights Share

DEFINITIONS *(Cont'd)*

"Rights Shares"	:	Up to 387,200,000 new DVM Shares to be issued pursuant to the Rights Issue with Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RSF"	:	Rights Subscription Form in relation to the Rights Issue with Warrants
"SGD"	:	Singapore Dollars
"SC"	:	Securities Commission Malaysia
"Undertaking"	:	Irrevocable written undertaking by DGKS to subscribe for his own entitlements of 17,784,000 Rights Shares and the additional subscription of up to 64,216,000 Rights Shares
"USD"	:	United States Dollar
"Warrant(s)"	:	Up to 290,400,000 free detachable warrants to be issued pursuant to the Rights Issue with Warrants
"5D-WAMP"	:	(5)-day volume weighted average market price

References to "we", "us", "our" and "ourselves" are to our Company and save where the context otherwise requires, our subsidiaries. All references to "you" in this Abridged Prospectus are to our Entitled Shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Abridged Prospectus to any statute is a reference to that statute as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name/Designation	Age	Address	Nationality	Occupation
Gen. (R) Tan Sri Abdul Rahman bin Abdul Hamid (*Independent Non-Executive Chairman*)	75	Lot 4758, Jalan 12, Taman TAR 68000 Ampang, Selangor Darul Ehsan	Malaysian	Company Director
Dato' Goh Kian Seng (*Managing Director*)	51	No. 8, Jalan SL 8/15, Bandar Sungai Long, Batu 11, Kajang, 43000 Selangor Darul Ehsan	Malaysian	Company Director
Roy Ho Yew Kee (*Executive Director*)	38	97, Jalan SS 22/37, Damansara Jaya, 47400 Petaling Jaya, Selangor Darul Ehsan	Malaysian	Company Director
Kamarudin bin Ngah (*Independent Non-Executive Director*)	65	14, Jalan Burhanudin Hilmi, Taman Tun Dr Ismail, 60000 Kuala Lumpur	Malaysian	Company Director
Yee Yit Yang (*Independent Non-Executive Director*)	46	15, Jalan Damai Rasa, Alam Damai, Cheras, 56000 Kuala Lumpur	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Kamarudin Bin Ngah	Chairman	Independent Non-Executive Director
Yee Yit Yang	Member	Independent Non-Executive Director
Gen (R) Tan Sri Abdul Rahman bin Abdul Hamid	Member	Independent Non-Executive Chairman

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COMPANY SECRETARY	:	Pang Kah Man (MIA 18831) 3-2, 3rd Mile Square No. 151, Jalan Kelang Lama Batu 3½ 58100 Kuala Lumpur Tel: 03-79875300
REGISTERED OFFICE	:	3-2, 3rd Mile Square No. 151, Jalan Kelang Lama Batu 3½ 58100 Kuala Lumpur Tel: 03-79875300 Fax: 03-79875200
HEAD/MANAGEMENT OFFICE	:	Lot 11.3, 11th Floor, Menara Lien Hoe No. 8, Persiaran Tropicana Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan Tel: 03-7805 3868 Fax: 03-7805 3863 E-mail: corp@dvm.com.my Website: www.dvm.com.my
PRINCIPAL BANKERS	:	Malayan Banking Bank Ground Floor, Block C Kompleks Pejabat Damansara Jalan Semantan, Bukit Damansara 50490 Kuala Lumpur Tel: 03-20953259 Ambank (M) Berhad No. 56, 58 & 60G Jalan SS21/35, Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel: 03-77263660
AUDITORS/REPORTING ACCOUNTANTS	:	SJ Grant Thornton (AF: 0737) Level 11, Sheraton Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 03-2692 4022
SHARE REGISTRAR	:	Equiniti Services Sdn Bhd Level 8, Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel: 03-2166 0933

SOLICITORS FOR THE RIGHTS ISSUE WITH WARRANTS	:	Teh & Lee Advocates & Solicitors A-3-3 & A-3-4, Northpoint Offices Mid Valley City No. 1, Medan Syed Putra Utara 59200 Kuala Lumpur Tel: 03 – 2283 2800
ADVISER FOR THE RIGHTS ISSUE WITH WARRANTS	:	M&A Securities Sdn Bhd No. 45-3, The Boulevard Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel: 03 – 2284 2911
STOCK EXCHANGE LISTING	:	ACE Market of Bursa Securities

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DVM TECHNOLOGY BERHAD
(Company No.: 609953-K)

Registered Office:

3-2, 3rd Mile Square
No. 151, Jalan Kelang Lama
Batu 3½
58100 Kuala Lumpur

10 June 2013

Board of Directors:-

Gen. (R) Tan Sri Abdul Rahman bin Abdul Hamid (*Independent Non-Executive Chairman*)
Dato' Goh Kian Seng (*Managing Director*)
Roy Ho Yew Kee (*Executive Director*)
Kamarudin bin Ngah (*Independent Non-Executive Director*)
Yee Yit Yang (*Independent Non-Executive Director*)

To: The Entitled Shareholders of DVM Technology Berhad

Dear Sir / Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 387,200,000 NEW DVM SHARES TOGETHER WITH UP TO 290,400,000 FREE WARRANTS AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE ON THE BASIS OF FOUR (4) RIGHTS SHARES TOGETHER WITH THREE (3) WARRANTS FOR EVERY TWO (2) EXISTING DVM SHARES HELD AT 5.00 P.M. ON 10 JUNE 2013 PAYABLE IN FULL UPON ACCEPTANCE

1. INTRODUCTION

On 29 March 2013, M&A Securities had, on behalf of our Board, announced that our shareholders had, at an EGM held on 29 March 2013, approved the following:-

(i) Rights Issue with Warrants;
(ii) Amendment; and
(iii) IASC

A certified true extract of the ordinary resolution pertaining to the Rights Issue with Warrants, which was passed at the said EGM, is set out in **Appendix I** of this Abridged Prospectus.

On 6 July 2012, M&A Securities had, on behalf of our Board, announced that BNM had vide its letter dated 3 July 2012 (received on 6 July 2012) approved the issuance of the Warrants to non-resident shareholders pursuant to the Rights Issue with Warrants.

On 25 February 2013, M&A Securities had announced that Bursa Securities had vide its letter dated 25 February 2013 resolved to approve the following:-

(i) Admission to the Official List of the ACE Market of Bursa Securities and the listing of and quotation for up to 290,400,000 Warrants to be issued pursuant to the Rights Issue with Warrants;

(ii) Listing of up to 290,400,000 new DVM Shares to be issued pursuant to the exercise of the Warrants; and

(iii) Listing of up to 387,200,000 Rights Shares to be issued pursuant to the Rights Issue with Warrants.

The abovesaid approval is subject to the following conditions:-

No.	**Conditions imposed**	**Status of compliance**
(a)	DVM and M&A Securities must fully comply with the relevant provisions under the ACE Market LR pertaining to the implementation of the Rights Issue with Warrants.	To be complied
(b)	DVM and M&A Securities to inform Bursa Securities upon the completion of the Rights Issue with Warrants.	To be complied
(c)	DVM to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed.	To be complied
(d)	DVM is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of the Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

The official listing of and quotation for the Rights Shares and Warrants to be issued pursuant to the Rights Issue with Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders/renouncees are ready for crediting and notices of allotment have been despatched to them.

On 28 May 2012, M&A Securities, on our behalf, announced that the issue price of the Rights Share and the exercise price of the Warrants has been fixed at RM0.10 each. On 27 May 2013, M&A Securities, on our behalf, announced that the Entitlement Date has been fixed at 5.00 p.m. on 10 June 2013.

No person is authorised to give any information or make any representation not contained herein in connection with the Rights Issue with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by M&A Securities or us.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Details of the Rights Issue with Warrants

The Rights Issue with Warrants involves a renounceable rights issue of up to 387,200,000 Rights Shares together with up to 290,400,000 Warrants at an issue price of RM0.10 per Rights Share on the basis of four (4) Rights Shares for every two (2) existing DVM Shares held together with three (3) Warrants for every four (4) Rights Shares subscribed. The Rights Shares with Warrants will be offered to the Entitled Shareholders.

The Rights Issue with Warrants is renounceable in full or in part. Accordingly, Entitled Shareholders can subscribe for and/or renounce their entitlements to the Rights Shares in full or in part. The Rights Shares which are not taken up or validly taken up shall be made available for excess applications by the Entitled Shareholders and/or their renouncee(s). It is the intention of our Board to allocate the excess Rights Shares in a fair and equitable basis, more specified under Section 3.8 herein.

The shareholders of our Company who renounce their entitlements to the Rights Shares will not be entitled to the Warrants and shall be deemed to have also renounced their entitlements to the Warrants. The shareholders of DVM who accept only part of the Rights Shares shall only be entitled to the Warrants in the proportion to their acceptance of the Rights Shares. The Warrants will be immediately detached from the Rights Shares upon issuance and separately traded.

The Warrants shall only be issued to the Entitled Shareholders who subscribe for the Rights Shares pursuant to the Rights Issue with Warrants. Should the Entitled Shareholders renounce all or any part of their entitlements to the Rights Shares, they will not be entitled to the Warrants attached thereto. The renunciation of the Rights Shares by the Entitled Shareholders will accordingly entail the renunciation of the Warrants to be issued together with the Rights Shares. The Warrants will be detached from the Rights Shares immediately upon issue and will be traded separately on the ACE Market of Bursa Securities. Any Rights Shares with Warrants not taken up or allotted for any reasons, if any, will be made available for application under the excess Rights Shares with Warrants application.

As you are an Entitled Shareholder and the Rights Shares are prescribed securities, your CDS Account will be duly credited with the number of provisionally allotted Rights Shares with Warrants which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed in this Abridged Prospectus, a NPA notifying you of the crediting of such securities into your CDS Account and a RSF to enable you to subscribe for the Rights Shares with Warrants provisionally allotted to you, as well as to apply for excess Rights Shares with Warrants if you so choose to.

Any dealing in our securities will be subject to, *inter-alia*, the provisions of the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) (Amendment) Act, 1998, the rules of Bursa Depository and any other relevant legislation. Accordingly, upon subscription, the Rights Shares with Warrants will be credited directly into the respective CDS Accounts of the successful applicants. No physical share or warrant certificates will be issued but notices will be despatched to the successful applicants.

2.2 Basis of determining the issue price of the Rights Shares and the exercise price of the Warrants

Our Board had on 28 May 2012 fixed the issue price of the Rights Share and exercise price of the Warrants at RM0.10 each after taking into consideration the following:-

(a) the historical price movement of DVM Shares;

(b) The theoretical ex-rights price of RM0.1021 each based on the 5D-WAMP of DVM Shares up to 25 May 2012 of RM0.1062, being the market day immediately preceding the date of the announcement of the Proposals; and

(c) the par value of DVM Shares of RM0.10 each.

The issue price of the Rights Shares and the exercise price of the Warrants at RM0.10 each represent a discount of 2.1% to the said theoretical ex-rights price.

2.3 Ranking of the Rights Shares and new DVM Shares to be issued

The Rights Shares shall, upon allotment and issue, rank *pari passu* among themselves.

The new DVM Shares to be issued pursuant to the Rights Issue with Warrants and exercise of the Warrants, if any, shall, upon allotment and issue, rank *pari passu* in all respects with the then existing issued and fully paid-up DVM Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or distributions that may be declared, made or paid, the Entitlement Date for which is prior to the date of the allotment of the new DVM Shares.

2.4 Salient terms of the Warrants

Please refer to **Appendix II** of this Abridged Prospectus for the salient terms of the Warrants.

2.5 Director's Undertaking

The Rights Issue with Warrants will be implemented on a minimum subscription basis. In determining the minimum amount of RM8.20 million to be raised from the Rights Issue with Warrants, our Board has taken into consideration factors which include among others, the funding requirements of our Company, including our Company's working capital requirements and the ability of our Company to raise financing. Our Board intends to raise minimum proceeds of RM8.20 million and the intended amount is earmarked for the level of funds required for working capital expenditure, setting up of the startup accelerator, repayment of bank borrowings and the estimated expenses arising from the Proposals.

In order to meet the Minimum Subscription Level, DGKS, our Managing Director and shareholder has provided an irrevocable written undertaking to subscribe for his own entitlement and excess application of up to 82,000,000 Rights Shares with 61,500,000 Warrants. In view of his Undertaking and Minimum Subscription Level, underwriting arrangement will not be required for remaining open portion of the 305,200,000 Rights Shares. The 82,000,000 Rights Shares represents 21.18% of the maximum number of Rights Shares which may be issued pursuant to the Rights Issue with Warrants.

	Shareholdings as at the LPD		**<----Undertaking to subscribe---->**						**Shareholdings after Rights Issue with Warrants**	
Name	**No. of DVM Shares**	**%**	**(1)No. of Rights Shares entitlement**	**%**	**(1)No. of excess Rights Shares**	**%**	**Total number of Rights Shares**	**%**	**No. of DVM Shares**	**(2)%**
DGKS	8,892,000	4.59	17,784,000	4.59	64,216,000	16.58	82,000,000	21.18	90,892,000	32.98

Notes:-

(1) Based on the Undertaking.
(2) Based on the Minimum Scenario, but without exercising the Warrants into DVM Shares in full.

Pursuant to the Undertaking, DGKS had confirmed that he has sufficient financial resources to take up the Rights Shares and such confirmation has been verified by M&A Securities. Notwithstanding the above, in the event the Proposed Rights Issue with Warrants is not successfully implemented and the Minimum Subscription Level is not achieved whereby the proceeds obtained from the Proposed Rights Issue with Warrants falls below the minimum proceeds required, our Company will not continue with the implementation of the Proposed Rights Issue with Warrants. As a result, all monies received will be returned immediately to the shareholders and/or renounces of our Company who have submitted their applications for the subscription of the Rights Shares.

Under the Minimum Scenario, assuming that DGKS subscribes for the Rights Shares pursuant to his Undertaking, DGKS's total equity interest in our Company will increase from 4.59% to 32.98%, and subsequently to 45.20% upon full exercise of the Warrants. Our Company confirms that the Undertaking will not give rise to any consequences of mandatory general offer obligation pursuant to the Code immediately after the Rights Issue with Warrants. However, should DGKS exercise his Warrants, such that his resulting aggregate shareholdings in DVM increases above 33% or increases by more than 2% in any six (6) months period, he is obliged under Part III of the Code to undertake a mandatory general offer for all the remaining DVM Shares not already held by him after the exercise of the Warrants. DKGS does not intend to undertake a mandatory general offer to acquire all the remaining DVM Shares not already held by him after the exercise of the Warrants. As such, DGKS shall seek the relevant exemption under the Code from the abovementioned mandatory general offer obligation should it arise.

2.6 Details of other corporate exercises

As at the LPD, save for the Rights Issue with Warrants, our Board confirms that there is no other outstanding corporate exercise which we intend to undertake, which have been announced but is pending completion.

3. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION

3.1 General

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisionally allotted Rights Shares with Warrants, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such provisionally allotted Rights Shares with Warrants into your CDS Account and the RSF to enable you to subscribe for the Rights Shares with Warrants provisionally allotted to you, as well as to apply for excess Rights Shares with Warrants if you choose to do so.

3.2 NPA

The provisional allotted Rights Shares with Warrants are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, all dealings in the provisionally allotted Rights Shares with Warrants will be by book entries through CDS Accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository. Entitled Shareholders and/or their renouncees (if applicable) are required to have valid and subsisting CDS Accounts when making their applications.

3.3 Last date and time of acceptance and payment

The last date and time for acceptance and payment for the Rights Shares with Warrants is 5.00 p.m. on 25 June 2013, or such other later date and time as may be determined and announced by our Board at their absolute discretion.

3.4 Procedure for full acceptance and payment

Acceptance and payment for the Rights Shares with Warrants provisionally allotted to you as an Entitled Shareholder or your renouncee(s) (if applicable) must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this Abridged Prospectus, NPA or RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS PROVISIONALLY ALLOTTED TO YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE), EXCESS APPLICATION FOR THE RIGHTS ISSUE WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU OR YOUR RENOUNCEE(S) (IF APPLICABLE) WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR/THEIR ENTITLEMENTS, ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.

YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

You or your renouncee(s) (if applicable) accepting the provisionally allotted Rights Shares are required to complete Part I(a) and II of the RSF in accordance with the notes and instructions provided therein. Each completed RSF together with the relevant payment must be despatched by **ORDINARY POST** or **DELIVERED BY HAND** using the envelope provided (at your own risk) to our Share Registrar at the following address:-

Equiniti Services Sdn Bhd
Level 8, Menara MIDF
82, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03 – 2166 0933
Fax: 03-2166 0688

so as to arrive not later than 5.00 p.m. on 25 June 2013, being the last time and date for acceptance and payment, or such extended time and date as may be determined and announced by our Board.

One (1) RSF can only be used for acceptance of provisionally allotted Rights Shares with Warrants standing to the credit of one (1) CDS Account. Separate RSFs must be used for the acceptance of provisionally allotted Rights Shares with Warrants standing to the credit of more than one (1) CDS Account. If successful, Rights Shares with Warrants subscribed by you or your renouncee(s) (if applicable) will be credited into the respective CDS Accounts where the provisionally allotted rights shares with warrants are standing to the credit.

A reply envelope is enclosed with this Abridged Prospectus. To facilitate the processing of the RSFs by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

You and/or your renouncee(s) (if applicable) should take note that a trading board lot for the Rights Shares with Warrants will comprise 100 Rights Shares and 100 Warrants each respectively. Successful applicants of the Rights Shares will be given free attached Warrants on the basis of three (3) Warrants for every four (4) Rights Shares successfully subscribed for. The minimum number of securities that can be subscribed for or accepted is four (4) Rights Shares which will be accompanied with three (3) Warrants. Fractions of a Rights Share and Warrant arising from the Rights Issue with Warrants will be dealt with by our Board as they may deem fit.

If acceptance and payment for the Rights Shares with Warrants provisionally allotted to you and/or your renouncee(s) (if applicable) is not received by our Share Registrar by 5.00 p.m. on 25 June 2013, being the last date and time for acceptance and payment, or any other extended date and time as may be determined and announced by our Board at their discretion, you and/or your renouncee(s) (if applicable) will be deemed to have declined the provisional allotment made to you and/or your renouncee(s) and it will be cancelled. Such Rights Shares with Warrants not taken up will be allotted to the applicants applying for excess Rights Shares with Warrants. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar. Our Board reserves the right not to accept or to accept in part only any application without providing any reasons.

You or your renouncee(s) (if applicable) who lose, misplace or for any other reasons require another copy of the RSF may obtain additional copies from your stockbrokers, Bursa Securities' website (http://www.bursamalaysia.com), our Share Registrar at the address stated above or our Registered Office.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AMOUNT IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "DVM RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND CDS ACCOUNT OF THE APPLICANT IN BLOCK LETTERS TO BE RECEIVED BY OUR SHARE REGISTRAR.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES WITH WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND FORWARDED BY ORDINARY POST TO THEM OR THEIR RENOUNCEES (IF APPLICABLE) AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE WITH WARRANTS.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANTS WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE WITH WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS AT THE APPLICANTS' OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

3.5 Procedure for part acceptance

You can accept part of your provisionally allotted Rights Shares with Warrants. The minimum number of securities that can be subscribed for or accepted is four (4) Rights Share which will be accompanied with three (3) Warrants.

You must complete both Part I(a) of the RSF by specifying the number of the Rights Shares with Warrants which you are accepting and Part II of the RSF and deliver the completed RSF together with the relevant payment to our Share Registrar in the manner set out in Section 3.4 of this Abridged Prospectus.

The portion of the provisionally allotted Rights Shares with Warrants that have not been accepted shall be allotted to any other persons allowed under the laws, regulations or rules to accept the transfer of the provisional allotment of the Rights Shares with Warrants.

3.6 Procedure for sale/transfer of provisional allotment of Rights Shares with Warrants

As the provisionally allotted Rights Shares with Warrants are prescribed securities, you may sell/transfer all or part of your entitlement to the Rights Shares with Warrants to one (1) or more person(s) through your stockbrokers without first having to request for a split of the provisional allotted Rights Shares with Warrants standing to the credit of your CDS Accounts. To dispose of all or part of your entitlement to the Rights Shares with Warrants, you may sell such entitlement on the open market or transfer to such persons as may be allowed pursuant to the rules of Bursa Depository.

In selling/transferring all or part of your provisionally allotted Rights Shares with Warrants, you and/or your renouncee(s) (if applicable) need not deliver any document including the RSF, to any stockbroker. However, you and/or your renouncee(s) (if applicable) must ensure that there is sufficient provisional allotment of Rights Shares with Warrants standing to the credit of your CDS Accounts that are available for settlement of the sale or transfer.

Purchasers or transferees of the provisionally allotted Rights Shares with Warrants may obtain a copy of this Abridged Prospectus and the RSF from their stockbrokers or from our Share Registrar, or at our Registered Office. This Abridged Prospectus and RSF are also available on Bursa Securities' website (http://www.bursamalaysia.com).

3.7 Procedure for acceptance by renouncees

Renouncees who wish to accept the provisionally allotted Rights Shares with Warrants must obtain a copy of the RSF from their stockbrokers, our Share Registrar, or at our Registered Office, or from the Bursa Securities' website (http://www.bursamalaysia.com) and complete the RSF, submit the same together with the remittance in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in Section 3.4 of this Abridged Prospectus also applies to renouncees who wish to accept the provisionally allotted Rights Shares with Warrants.

RENOUNCEES ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENT OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND RSF CAREFULLY.

3.8 Procedure for excess Rights Shares application

As an Entitled Shareholder, you and/or your renouncee(s) (if applicable) may apply for excess Rights Shares with Warrants in addition to the Right Shares with Warrants provisionally allotted to you and/or your renouncee(s) by completing Part I(b) of the RSF (in addition to Part I(a) and II) and forward it (together with a **separate remittance** for the full amount payable in respect of the excess Rights Shares with Warrants applied for) to our Share Registrar at the address set out above, so as to arrive not later than 5.00 p.m. on 25 June 2013, being the last time and date for acceptance and payment, or such extended time and date as may be determined by our Board.

Payment for the excess Rights Shares with Warrants applied for should be made in the same manner as described above, except that the Banker's Draft(s), Cashier's Order(s), Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia crossed **"A/C PAYEE ONLY"** and made payable to **"DVM EXCESS RIGHTS ISSUE ACCOUNT"** and endorsed on the reverse side with the name and CDS Account of the applicant in block letters to be received by our Share Registrar.

Our Board reserves the right to allot the excess Rights Shares with Warrants applied for under Part I(b) of this RSF, in a fair and equitable basis and in such manner as they deem fit and expedient in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board set out below. It is the intention of our Board to allot the excess Rights Shares with Warrants applied for under Part I(b) of the RSF, if any, on a fair and equitable basis and in such manner as it deems fit in the following priority:-

(a) firstly, to minimise the incidence of odd lots;

(b) secondly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;

(c) thirdly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants on a pro-rata basis based on the quantum of their respective excess Rights Shares with Warrants application; and

(d) fourthly, for allocation to transferee(s) and/or renouncee(s) who have applied for excess Rights Shares with Warrants on a pro-rata basis based on the quantum of their respective excess Rights Shares with Warrants application.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES WITH WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND FORWARDED BY ORDINARY POST TO THE APPLICANTS AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS.

YOU SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST TO THE APPLICANTS WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS AT THE APPLICANTS' OWN RISK.

3.9 Form of issuance

Bursa Securities has already prescribed our Shares listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares with Warrants are prescribed securities and as such, the Securities Industry (Central Depositories) Act, 1991, Securities Industry (Central Depositories) (Amendment) Act, 1998 and the rules of Bursa Depository shall apply in respect of the dealings in the said securities.

Failure to comply with the specific instructions or inaccuracy in the CDS Account number may result in the application being rejected.

No physical share or warrant certificates will be issued to you under the Rights Issue with Warrants. Instead, the Rights Shares with Warrants will be credited directly into your CDS Accounts. The notices of allotment will be issued and forwarded to you by ordinary post at your own risk to the address shown in the Record of Depositors within eight (8) Market Days from the last time and date for acceptance and payment of the Rights Issue with Warrants.

Any person who intends to subscribe for the Rights Shares with Warrants as a renouncee by purchasing the provisional allotment of Rights Shares with Warrants from an Entitled Shareholder will have his Rights Shares with Warrants credited directly as prescribed securities into his CDS Account.

The excess Rights Shares with Warrants, if allotted to the successful applicant who applies for excess Rights Shares with Warrants, will be credited directly as prescribed securities into his CDS Account.

3.10 Laws of foreign jurisdictions

This Abridged Prospectus, the NPA and the RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign jurisdiction. The Rights Issue with Warrants will not be made or offered in any foreign jurisdiction.

Foreign Entitled Shareholders or their renouncees (if applicable) may only accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so.

M&A Securities, other experts, our Company and our directors and officers would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders or their renouncees (if applicable) are or may be subjected to. Foreign Entitled Shareholders or their renouncees (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. M&A Securities, other experts, our Company and our directors and officers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders or renouncees (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

Accordingly, this Abridged Prospectus together with the accompanying documents will not be sent to the foreign Entitled Shareholders or their renouncees (if applicable) who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders or their renouncees (if applicable) may collect the Abridged Prospectus including the accompanying documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents.

The foreign Entitled Shareholders or their renouncees (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders or their renouncee(s) (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against M&A Securities or us in respect of their rights and entitlements under the Rights Issue with Warrants. Such foreign Entitled Shareholders or their renouncee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue with Warrants.

By signing any of the forms accompanying this Abridged Prospectus, the NPA, and the RSF, the foreign Entitled Shareholders or their renouncees (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) M&A Securities, other experts, our Company and our directors and officers that:

(a) we would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders or renouncees (if applicable) are or may be subjected to;

(b) they have complied with the laws to which they are or may be subjected to in connection with the acceptance or renunciation;

(c) they are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subjected to;

(d) they are aware that the Rights Shares with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

(e) they have respectively received a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the representatives of our Company and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares with Warrants; and

(f) they have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants.

Persons receiving this Abridged Prospectus, NPA and RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, NPA and RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus, NPA and RSF to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares with Warrants from any such application by foreign Entitled Shareholders or their renouncees (if applicable) in any jurisdiction other than Malaysia.

Our Company reserves the right, in its absolute discretion, to treat any acceptance of the Rights Shares with Warrants as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

Each RSF must be accompanied by a Malaysian Revenue Stamp of RM10.00. In the absence of the Malaysian Revenue Stamp, the RSF is deemed to be not in compliance with the Stamp Duty Act 1949 and shall not be accepted.

4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

On 3 April 2012, our Company had completed a private placement of 17,600,000 new DVM Shares, raising RM1,760,000. Of the amount raised, RM0.82 million was utilised for staff salaries, RM0.69 million was utilised for marketing and travelling expenses of our Company and the remaining RM0.25 million was utilised for expenses incurred for the private placement exercise. Although our Company had completed a fund raising exercise more than fourteen (14) months ago, our Board is undertaking this fund raising exercise to the level of funds required for working capital expenditure, setting up of the startup accelerator and is of the view that the Rights Issue with Warrants is the most appropriate avenue to raise funds for our Group to further expand our business operations and undertake potential contracts, which would improve our business prospects. The audited financial information of our Group from the FYE 2010, FYE 2011 and FYE 2012, as well as the unaudited consolidated financial statements for the FPE 31 March 2013, are as follows:-

	<----------------------	FYE	---------------------->	
	2010 (audited)	**2011 (audited)**	**2012 (audited)**	**FPE 31 March 2013 (unaudited)**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	47,750	29,144	9,060	3,391
Cost of sales	(39,166)	(22,015)	(5,106)	1,908
Gross profit	**8,584**	**7,129**	**3,954**	1,483
Investment revenue and other income	2,585	2,078	1,712	173
Finance costs	(1,595)	(1,359)	(819)	(148)
Distribution, administrative and other expenses	(10,834)	(14,599)	(9,046)	(1,502)
Share of loss of associate company	-	-	(65)	(15)
LBT	**(1,260)**	**(6,751)**	**(4,264)**	**(9)**
Taxation	(207)	(299)	(581)	-
LAT	**(1,467)**	**(7,050)**	**(4,845)**	**(9)**
Attributable to:-				
Equity holders of the Company	(1,418)	(6,009)	(4,793)	(3)
Non-controlling interest	(49)	(1,041)	(52)	(6)
LAT	**(1,467)**	**(7,050)**	**(4,845)**	**(9)**
Share capital	17,600	17,600	19,360	19,360
Share premium	10,717	10,717	10,717	10,717
Accumulated losses	(9,474)	(15,483)	(20,276)	(20,279)
	18,843	**12,834**	**9,801**	**9,798**
Non-Controlling interest	-	(1,041)	(1,093)	(1,100)
Equity attributable to owners of our Company	**18,843**	**11,793**	**8,708**	**8,698**

Based on the audited financial statements of our Group for the FYE 2010, our Group recorded a LAT position of RM1.47 million and a net current liabilities position of RM1.68 million. In addition, our Group's revenue declined substantially by 39% as compared to FYE 2009 from RM78.40 million to RM47.75 million due to the declining global and domestic market demand and stiff competitive market. In line with the decline in revenue, the gross profit of our Group also declined by 48% for the FYE 2010. The net loss suffered by the our Group during the FYE 2010 was mainly due to insufficient gross profit generated to cover the fixed operating cost such as finance cost, amortisation and distribution expenses of our Group.

The decrease in LAT from RM7.05 million recorded during FYE 2011 to RM4.85 million recorded during FYE 2012 was due to the decrease in the distribution, administrative and other expenses incurred from RM14.60 million during FYE 2011 to RM9.05 million during FYE 2012. The decrease in our Group's distribution, administrative and other expenses was attributed to lower staff costs and expenditure incurred during the financial period under review.

Based on the audited financial statements of our Group for the FYE 2011, our Group recorded a LAT of RM7.05 million and a net current liabilities position of RM5.67 million. In addition, our Group's revenue declined substantially from RM47.75 million during FYE 2010 to RM29.14 million during FYE 2011, due to the declining global and domestic market demand and stiff competitive market for our ICT products. In line with the decline in revenue, and resulting from the higher depreciation and allowance on impairment losses on trade receivables and assets expenses of RM4.60 million, our Group's net loss has also increased from RM1.47 million during FYE 2010 to RM7.05 million during FYE 2011.

Based on the financial statement for the FYE 2012, our Group recorded a LAT position of RM4.85 million and a net current liabilities position of RM4.08 million. Our Group's revenue declined substantially as compared to the preceding FYE 2011 from RM29.14 million to RM9.06 million, due to the declining global and domestic market demand and stiff competitive market for our ICT products, which has affected the billings for our products and services. Our revenue for the period under review was mainly driven by the project secured for our network and systems integration and our Genico Broadband Telephony products sold to our existing customers.

Based on the unaudited quarterly results for the three (3)-months FPE 31 March 2013, our Group recorded a LAT position of RM0.01 million and a net current liabilities position of RM3.75 million. Our Group's revenue increased by 41.23% from RM2.40 million to RM3.39 million as compared to the previous three (3)-months FPE 31 March 2012, due to the increase in billings for our products and services during the current quarter. Our revenue for the period under review was mainly driven by the project secured for our network and systems integration and our broadband telephony products sold to our existing customers. The recorded a LAT position of RM0.01 million as compared to a PAT position of RM3.11 million during the preceding three (3)-months FPE 31 March 2012 was due to an adjustment on fair value of our investment property of RM4.19 million during the previous financial period of FPE 31 March 2012.

Based on the above evaluation of our Group's financial performance, our Board is of the opinion that measures must be undertaken to turnaround our Group's financial performance in the immediate term. Our Board has identified the following measures to improve the financial position of our Group:-

(a) The setting up of a business startup accelerator operation, of which the details are further elaborated in Section 5 of this Abridged Prospectus; and

(b) The Rights Issue with Warrants, of which the proceeds raised will be utilised in the following manner:-

(i) To reduce our Group's bank borrowings of up to RM9.17 million (as at 31 December 2012), which would improve our Group's overall gearing ratio, from 0.94 times to 0.31 times and 0.02 times, under the Minimum Scenario and Maximum Scenario, respectively;

(ii) To fund our Group's day-to-day working capital expenses. This will reduce our Group's dependence on internal generated funds and improve our Group's overall cashflow position in the short term period; and

(iii) To finance the setting up of the business startup accelerator operation, which is expected to enhance and improve our Group's overall revenue stream, which will then turn into positive earnings and cashflow to our Company.

The business startup accelerator will be spearheaded by Roy Ho Yew Kee, our Executive Director. His profile is as follows:-

"He obtained his Bachelor of Commerce from the Griffith University, Brisbane, Australia. He has extensive experience with retail broking and cross border finance companies involving sales trading, deal origination and institutional broking. He is principally responsible for managing the overall operations, business direction and strategies of our Group. He also has over a decade of experience in deal structuring within the regional financial services community. His extensive network of peers covers private equity funds, venture capital funds, as well as investment authorities of various Governmental agencies."

Our five (5) new hires will form a management team to oversee the overall operations of our business startup accelerator operations. This team shall be headed by our Executive Director, Roy Ho Yew Kee, and shall comprise of one-(1) web designer, one (1)-virtual chief executive officer, one-(1) graphic designer, one-(1) corporate communications manager and one (1)-media marketing manager. Our five (5) new hires are expected to join us by November 2013 to ensure that they are familiarised with the business startup accelerator operations and to ensure full readiness for the startup accelerator operations by March 2014. This management team will also be supported by our existing support team consisting of five (5) experienced software developers, who are our existing employees, that forms part of our technical assistance team to offer technical know-how to startup companies, many of which our Company expect will require various aspects of software development expertise. Going forward, we will also assemble and retain on an as-needed basis, a group of mentors, consisting of industry experts, successful entrepreneurs and academic experts who will collectively lend their experience and expertise to both our Company and these startup companies.

The startup accelerator shall be funded in the following manner:-

(a) The utilisation of RM2.67 million which has been earmarked for the setup costs and working capital expenses in relation to the business startup accelerator, which shall also include investments in the equity stakes of the potential Incubatees. Our investment committee shall evaluate the viability and suitability of each potential startup companies to be invested into, before making such investment. To support our business startup accelerator operations, the utilisation of the balance of RM1.23 million proceeds to be raised from the Rights Issue with Warrants shall be utilised for the following manner:-

    (i) the rental expenses of the three (3) floors facility located at Menara Lien Hoe, Petaling Jaya for the business startup accelerator of approximately RM0.50 million;
    (ii) salaries expenses for our new five (5) hires of approximately RM0.29 million;
    (iii) utilities and Internet connectivity expenses of approximately RM0.40 million; and
    (iv) office sundries expenses for our overall business startup accelerator operations of approximately RM0.04 million.

The estimated financial resources to be committed by our Company in the business startup accelerator shall not be more than RM3.90 million, being the proceeds raised from the Rights Issue with Warrants;

(b) We shall assist the Incubatees in procuring additional funding and investments from various venture capital funds, private equity funds, foreign incubators and private investors to invest in Incubatees; and

(c) Reinvestment of profits derived from our investments in the Incubatees as well as gains from the disposal of our equity invested in these Incubatees in the future.

Based on the above, our Board is of the opinion that our Company has the required experience, capital and funding to venture into the business startup accelerator operations.

In addition to the above, the business startup accelerator operations are expected to create value for our shareholders through the following manner:-

(a) The revenue generated from the business startup accelerator operations via monthly fees charged to each startup (which shall be based on the number of founders). Our Company will receive applications from startups consisting of anywhere between two (2) to six (6) founders. Depending on the size of each startup, they will be subjected to a monthly charge based on the number of founders;

(b) Profits generated from the disposal of our Company's equity stakes and investments to be made in the startup companies/Incubatees. The profits generated from the disposal of our equity stakes shall be correlated directly to the success of the Incubatees growing their individual businesses with the help of our facilities, mentorship, funding by our Company on a case-by-case basis, our tie-ups with various agencies and the network of exit partners. This profits is justified by the growth of the Incubatees after proper mentorship and tapping onto the various infrastructure benefits that we have provided to improve and enhance the Incubatees business models; and

(c) By acquiring an equity stake in the Incubatees, our Company will be able to utilise these Incubatees to create new IT products, streamlining and improving our existing IT products and enabling us to explore new potential target markets for our existing and new IT products. In exchange for an equity stake in the Incubatees, we may provide funding in cash or in kind to the Incubatees, which may include business consulting services, programming assistance, infrastructure assistance provided by our Group, business mentoring assistance, technical support services or a combination of such services furthermore, the bank of IPs will enable our Group to continuously keep in touch and abreast with the latest and most viable innovations, which will be useful in creating and improving our existing range of IT products and services.

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5. UTILISATION OF PROCEEDS

Based on the Issue Price, the Rights Issue with Warrants is expected to raise gross proceeds of up to RM38.72 million, which shall be utilised in the following manner:-

Notes	Details	Minimum Scenario RM'000	Maximum Scenario RM'000	Timeframe for utilisation
(i)	Working capital expenditures:-			
	(a) Day-to-day working capital expenses	2,000	26,620	Within 24 months
	(b) Setting up of startup accelerator	3,900	3,900	Within 24 months
(ii)	Repayment of bank borrowings	1,900	7,800	Within 6 months
(iii)	To defray expenses relating to the Proposals	400	400	Within 1 month
	Total	**8,200**	**38,720**	

Notes:-

(i) (a) A breakdown of the utilisation for the day-to-day working capital expenses of our Company are as follows:-

	Description	*RM'000*	*RM'000*
-	*Operating expenses such as staff salaries, rental of building premises and equipment, printing expenses, advertising, utilities expenses and others[%]*	*1,500*	*24,620*
-	*Marketing expenses[@]*	*500*	*2,000*
	Total	***2,000***	***26,620***

Notes:-

% The working capital expenses will be utilised to finance the day-to-day operations of the existing and future business of our Company. The detailed breakdown of the utilisation for the day-to-day working capital expenses and operating expenses to be incurred by our Company:-

	Description	*Minimum Scenario RM'000*	*Maximum Scenario RM'000*
(i)	*Staff salaries^*	*1,500*	*8,678*
(ii)	*Rental of building premises and equipment*	*-*	*903*
(iii)	*Utilities and miscellaneous expenses (including printing expenses, advertising and utilities expenses)*	*-*	*2,339*
(iv)	*Mobilisation fees for future projects to be secured[+]*	*-*	*12,700*
Total		***1,500***	***24,620***

^ Additional staff costs to be incurred for the implementation of our Group's existing and future contracts to be secured. The additional staffs will be separate from our proposed startup accelerator business segment.

+ Our Group is in the midst of pursuing several contracts amounting to approximately RM544.0 million as at the LPD, details of which are set out in Section 7.4 of this Abridged Prospectus. However, these contracts are currently being evaluated by the relevant parties and our Company has not been awarded with any of these contracts as at the LPD. The mobilisation fees of RM12.70 million shall be utilised for the purpose of contract deposits and performance bonds, management and independent consultancy fees, purchasing the necessary equipment, materials, machinery, electronic devices and other peripherals required for the setting up of the necessary infrastructures and structures for the launch of the projects that we successfully secured.

In the event our Group is unable to secure these new contracts, the RM12.70 million shall be utilised for our Group's existing business operations, which include our Group's general working capital requirements, operating expenses and business expansion in the specialised telecommunication, data communication, computer networking solutions, professional services for the development of communication infrastructure and operational support system, development of software and services for communication infrastructure.

@ *This includes advertisements, promotional and marketing expenses, travelling expenses, commissions to be paid, accommodations expenses and mileage claims to be incurred by our sales staff in the course of our Group's marketing and sales initiatives.*

(b) *Upon completion of the Rights Issues with Warrants, our Company shall utilise RM3.90 million of the proceeds raised from the Rights Issue with Warrants to set up a startup accelerator operation, which is aimed at capitalising on the global trend of similar startup accelerators being established across the world. Our Company targets to nurture at least one hundred (100) startups, from ideation to market within twenty-four (24) months, in the initial stage of the development of the startup accelerator. The said target was arrived at by our Board/management after taking into consideration the available funds from the Rights Issue with Warrants, availability of floor space and our proposed staff size.*

The business startup accelerator is a self-sustaining incubator unit that aims to provide a wide range of opportunities for businesses to facilitate startups and build up a bank of commercial IPs. The IPs shall be owned by the Incubatees, and the Incubatees may issue shares/equity stakes to our Company, in exchange for funding in cash or in kind to the Incubatees, which may include business consulting services, programming assistance, infrastructure assistance provided by our Group, business coaching/mentoring assistance, technical support services or a combination of such services. Furthermore, the bank of IPs will enable our Group to continuously keep in touch and abreast with the latest and most viable innovations, which will be useful in creating and improving our existing range of IT products and services. By investing in the Incubatees at the early-stage of their development, we are in a position to obtain an equity participation in these Incubatees and shall be able to tap into the potential cash-flows generated from these IPs in the future.

Our Company intends to tie-up by way of forging continuous close collaboration and entering into investment agreements with various governmental, academic, commercial organisations and private sector participants, who will act as an agency for potential entrepreneurs and/or startup companies. This will enable us to attract potential Incubatees through these agencies with constant stream of promising and innovative ideas that has business potentials for our new business startup accelerator operations. Our Company will engage and tie-up with various governmental agencies and any other relevant agencies, such as Agensi Inovasi Malaysia, PEMANDU, TalentCorp, and Ministry of Science, Technology and Innovation (MOSTI), Multimedia Development Corporation, Singapore Government via the Media Development Authority, China Private Equity LLC and Warisan Global to seek their support in terms of knowledge resources, grant funding, access to market research, regulatory support, and any other benefits that can be obtained at the government's discretion. On the private sector side, we intend to tie-up with various private equity, venture capitalist and investment agencies to jointly invest and/or provide support to these Incubatees.

Our business startup accelerator operations shall be operated at a three (3) floors facility located at Menara Lien Hoe, which can accommodate up to 35 Incubatees per floor, with an average size of 60 square feet per startup accelerator. The startup accelerator shall have shared common areas designed to maximise collaboration, knowledge-sharing and create a dynamic and energetic environment modelled after Silicon Valley's best practices. The purpose built facility is slated to begin construction in November 2013 and its operations are expected to begin in March 2014. Our Board has identified five (5) qualified new hires who will form a management team to oversee the overall operations of our business startup accelerator operations. This team shall be headed by our Executive Director, Roy Ho Yew Kee, and shall comprise of one-(1) web designer, one (1)-virtual chief executive officer, one-(1) graphic designer, one-(1) corporate communications manager and one (1)-media marketing manager. Our new hires are expected to join us by November 2013 to ensure that they are familiarised with the business startup accelerator operations and to ensure full readiness for the startup accelerator operations by March 2014. This management team will also be supported by our existing support team consisting of five (5) experienced software developers, forming part of our technical assistance team to offer technical know-how to startup companies, many of which our Company expect will require various aspects of software development expertise.

The estimated set up costs for the said business startup accelerator operations are as follows:-

No	***Description***	***RM'000***
(aa)	*Setup costs and working capital expenses in relation to the business startup accelerator*	*2,673*
(bb)	*Rental of space and equipment, utilities and internet connectivity*	*900*
(cc)	*Additional staff costs*	*285*
(dd)	*Office sundries*	*42*
	Total	***3,900***

Our business startup accelerator facility will be equipped with learning tools, a cloud-computing network, high-speed Internet access, mobile application testing laboratories, hosting infrastructure for beta-testing and a social media marketing room. Our Company will form an investment committee panel that will be made up of our internal management, local and foreign industry experts and successful entrepreneurs, Government agency representatives and representatives from private equity funds or venture capital funds, to select the successful applicants and potential Incubatees to be part of our startup accelerator.

The business startup accelerator will provide Incubatees with shared facilities such as meeting rooms, collaboration areas, brainstorming pods and research mini-laboratories. It will also have an open-concept communal area for the Incubatees to encourage and foster idea-sharing and cross pollination. The startup accelerator will be well-equipped with state of the art facilities such as high-speed wired and wireless Internet connectivity, ICT infrastructure and security access control.

(ii) *Our Company intend to utilise approximately of up to RM7.80 million of the total gross cash proceeds from the Rights Issue with Warrants for the repayment of bank borrowings. Further details of the bank borrowings intended to be repaid are as follows:-*

(aa) *Under the Minimum Scenario, we intend to repay our bank borrowings comprising RM1.90 million, and is expected to result in an annual interest savings of RM0.143 million based on the effective interest rate of 7.5% per annum.*

(bb) *Under the Maximum Scenario, we intend to repay our bank borrowings comprising up to RM7.80 million, and is expected to result in an annual interest savings of up to RM0.585 million based on the effective interest rate of 7.5% per annum.*

The total borrowings of our Group as at the LPD are approximately RM7.36 million whilst the intended repayment of bank borrowings under the Maximum Scenario is RM7.80 million. As such, the unutilised portion of the proceeds (if any) shall be utilised as working capital for our Group

(iii) *The estimated expenses that comprise professional fees, fees to be paid to the relevant authorities, printing and advertising charges and miscellaneous charges, are estimated at RM400,000 for the Proposals. If the actual expenses incurred pursuant to the Proposals are higher than the amount budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual expenses are lower than the amount budgeted, the excess will be utilised for our working capital requirements.*

The exact quantum of proceeds that may be raised by our Company from the exercise of the Warrants would depend on the actual number of the Warrants exercised. The proceeds from the exercise of the Warrants will be received on an "as and when basis" over the tenure of the Warrants.

Based on the Exercise Price and assuming full exercise of the Warrants, our Company will raise gross proceeds of up to RM29.04 million from the full exercise of the Warrants (under the Maximum Scenario). Any proceeds arising from the exercise of the Warrants in the future shall be utilised as an additional working capital expenditure, investment opportunities and/or business expansion for our Group. Pending full utilisation, we intend to place the proceeds from the Rights Issue with Warrants (including accrued interest, if any) or the balance thereof in interest-bearing deposit accounts with licensed financial institution(s) or in short-term money market instruments, as our Board may deem fit.

Pending utilisation of the proceeds from the Rights Issue with Warrants for the above purpose, the proceeds will be placed in deposits with financial institutions or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of our Group.

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6. RISK FACTORS

In running our business activities, we face risks which may have potential impact to our Group's performance unless proper anticipation and mitigation measures are exercised.

In addition to other information contained in this Abridged Prospectus, you should carefully consider the following risk factors before subscribing for or investing in the Rights Issue with Warrants. You should take note that these risk factors are not exhaustive. There may be additional risk factors, which are not disclosed below, that are not presently known to us or that we currently deem to be less significant, which may materially and adversely affect our business, financial condition, results of operation and prospects.

6.1 Risks relating to the Rights Issue with Warrants

(a) No prior market for the Rights Shares and/or Warrants

There can be no assurance that there will be an active market for the Rights Shares and/or Warrants upon or subsequent to their listing on the ACE Market of Bursa Securities or, if developed, that such a market sustainable or adequately liquid during the tenure of the Rights Shares and/or Warrants.

The market price of the Rights Shares and Warrants, like all listed securities traded on Bursa Securities, is subject to fluctuations and will be influenced by, *inter-alia*, trades in substantial amount of the Rights Shares and Warrants on the ACE Market of Bursa Securities in the future, the market price and volatility of DVM Shares, announcements relating to the business of our Group, the financial performance of our Group, and exercise period of the Warrants.

In addition to the fundamentals of our Company, the future price performance of the Rights Shares and Warrants will also depend on various external factors such as the economic and political conditions of the country, sentiments and liquidity in the local stock market as well as the performance of regional and world bourses.

On the other hand, the market price of DVM Shares will be influenced by, *inter-alia*, the prevailing market sentiments, volatility of the stock market of the country, operating results of our Group and prospects of the industries in which our Group operates.

As each Rights Share will be issued at RM0.10, there can be no assurance that the market price of the Rights Shares, upon or subsequent to their listing, will remain at or above the issue price.

In addition, there can be no assurance that the exercise price of the Warrants will be less than the prevailing market price of DVM Shares during the tenure of the Rights Shares and Warrants respectively.

(b) Delay in or abortion of the Rights Issue with Warrants

The Rights Issue with Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of any one or more of the following events:

(i) *force majeure* events or events/circumstances, which are beyond the control of our Company and Adviser, arising prior to the implementation of the Rights Issue with Warrants; or

(ii) our Director as set out in Section 2.5 above who has given the Undertaking to subscribe for the Rights Issue with Warrants may not fulfil or be able to fulfil its obligation.

In this respect, all monies raised in the Rights Issue with Warrants which are held in a trust account for our Company will be refunded free of interest within 14 days to the entitled shareholders in the event the Rights Issue with Warrants is aborted. Monies not repaid within 14 days will be returned with interest at the rate of 10% per annum or at such other rates as may be prescribed by the SC. Notwithstanding the above, our Company will exercise its best endeavour to ensure the successful implementation of the Rights Issue with Warrants. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or abortion of the Rights Issue with Warrants.

(c) Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on forecasts and assumptions made by our Group and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, *inter alia*, the risk factors as set out in this section. In light of these and other uncertainties, the inclusion of forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

6.2 Risks relating to our Group

(a) Project risks

Our Group's contracts with clients are generally entered into on a project basis. Due to the complexity of the projects that our Group undertakes, the projects are subjected to the following risk factors:-

(i) Most of our Group's services are based on contracts, which price is determined at bid time, based on estimates. Our Group may under-estimate project costs in bidding for a project. In such event, our Group may incur cost overruns which will reduce profits or incur losses;

(ii) Clients may delay or cancel their projects due to unforeseen circumstances. Delays may arise from incomplete specifications or unanticipated difficulties in developing the solutions. Project delays will affect margins as time spent negotiating and resolving issues will delay the recognition of revenue; whilst at the same time, may incur additional costs; and

(iii) Failure to implement projects that fully satisfy the requirements and expectations of the clients, may lead to claims being made against our Group, adversely affecting profitability and reputation.

Although we seek to minimise these risks through, *inter-alia*, prudent budgeting policies, close supervision on the implementation of projects and effective human resource management, no assurance can be given that any changes in these factors will not have any material adverse effect on our Group. Furthermore, the returns and profitability level of our projects are subject to, inter-alia competition and customers' needs and therefore, we will seek to limit these risks through careful planning and identification of the type of projects undertaken, innovative pricing strategies to pass through cost escalations to customers, prudent budgeting policies, close supervision on projects and effective project management.

(b) Dependence on key personnel or failure to attract and retain other highly qualified personnel

Our Group believes that our continued success will depend, to a significant extent, upon the abilities and continued efforts of our existing Executive Directors and key management and key technical personnel. The loss of any of our Group's Executive Directors or key members of our Group's senior management could adversely affect our Group's continued ability to compete. However, our Group's Executive Directors and senior management are actively managing the day to day management of our Group. Furthermore, every effort is made by our Group to groom younger members of the management team to take over from the senior management to ensure a smooth transition. They will be provided with the necessary experience and exposure in the management team should changes occur in order to maintain our Group's continued ability to compete effectively in the ICT industry.

It has also been difficult to attract and retain talent for critical positions. Some of our existing competitors and new entrants may have greater operational, financial and other resources or may otherwise be better positioned to compete for opportunities and as a result, our business may be less successful. Whilst efforts are made to nurture and maintain a good relationship with our key technical personnel, there can be no assurance that the loss of any of the key employees can be avoided.

In our Group's practice to retain the services of the Executive Directors and senior management wherever possible and also attract and retain experienced personnel by providing a conducive working environment with emphasis on positive work culture.

(c) Dependence on ability to maintain technical infrastructure

Our reputation and ability to attract, retain and serve our clients is dependent upon the reliable performance of our underlying technical infrastructure. Our systems may not be adequately designed with the necessary reliability to avoid performance delays or outages that could be harmful to our business. In addition, our products and services are characterised by rapidly changing technology, evolving technical standards and changes in customer preferences. Such technological developments and any changes may require significant capital investments and we may be limited in our ability to invest funds and resources in maintaining the necessary and continually evolving technology infrastructure.

We have taken precautions to minimise risks by employing qualified personnels to conduct regular maintenance on our technical infrastructure and our staffs are trained to solve the majority of the technical interruptions in which we may face.

However, despite all the precautions we have taken to limit these risks, there is no assurance that these risks will not materially affect our Group's business. In addition, although our Group seeks to limit the risk associated with rapid technological change, there is no assurance that it will not impact on our business.

(d) Dependence on the performance of Incubatees

Our performance is dependent upon the success of the origination and commercialisation of business ideas including the operational performance of our Incubatees. Investment in startups and companies in the early stages of development in new and rapidly evolving technologies or industries carries a high degree of risk. Companies involved in the rapidly evolving technologies or industries may encounter difficulties in relation to the technology used or evolving standards and practices.

There can be no assurance that any of these companies will be financially successful, and if they do not succeed, the value of our assets and profitability will be adversely affected.

We believe our Directors and key management possesses strong business contacts, acumen and knowledge in the industry. Coupled with the experience of our Executive Director, Roy Ho Yew Kee, we believe that we are able to identify and assist our Incubatees in developing into successful companies. The risks inherent to our Incubatees are as follows:-

(i) Successful research and commercialisation of Incubatees activities

The success of our Incubatees depends largely on the ability of the Incubatee's R&D personnel to successfully research and produce commercially viable products and ideas for the market. Due to the early stage level in which we invest in, there is a probability that these R&D activities may not result in commercially viable products and ideas. Even when such products and ideas are identified and commercially developed/produced, successful commercialisation may not take place as a result of factors such as non-market acceptance, high pricing or inadequate support.

We mitigate this risk by having a thorough screening process, which helps eliminates non-commercially viable proposals. In doing this, we are aided by our key management team and also where necessary, experts from outside of our Group.

(ii) Rapid technologies changes

Some of the potential Incubatees compete in a market, which is characterised by rapidly changing technologies, evolving industry standards, frequent new service and product announcements, introductions and enhancements, and changing customer demands. The future of our Incubatees to adapt to such changes may have a material adverse effect on their businesses, results of operations and financial condition.

In anticipation of these changes, we will use our best endeavour in assisting our Incubatees by allocating the necessary resources to them.

(iii) Delays in commercialisation and project deliveries

Our Incubatees may face delay in the launch of their products or in the completion of their projects which may result in a materially adverse impact to our results.

There is a risk that these projects may be delayed or aborted. Delays in project completions and/or commercialisation may be caused by factors which are out of our control such as supply deliveries, regulatory approvals, variation orders, funding availability as well as internal factors such as project management issues and loss of key management.

It should be noted that we shall participate in many aspects of the operations and management of our Incubatees, inter alia, business development, finance and budgetary aspects as well as reviewing relevant staff levels and expertise.

(iv) IP

Certain of our potential Incubatees may be involved in new product development and thus may require patents and trademarks registered in their name to protect any of their IP rights. There is no assurance that unauthorised parties will not attempt to copy aspects of our Incubatees services or products and use confidential information, which these companies consider as their trade secrets.

There is also no assurance that third parties will not claim infringement if their IP rights. If our Incubatees incur substantial costs as a result of unexpected liability arising from claims of infringement of these rights, their financial conditions may be adversely affected. Should there be such infringement, our Incubatees may be refrained from using the IP rights which could result in them incurring substantial losses as well as loss of business as a result of such infringement.

We attempt to mitigate this risk by having patent/trademark on our products/ideas whenever possible.

(e) Competition

The market in which our Group operates is competitive and characterised by rapid technological innovation. Our Group has experienced and expects to continue to experience intense competition from current and future competitors. Our Group believes that our ability to compete depend on many factors, both within and outside our control, such as the following:-

(i) Timing and market acceptance of new technologies in our services or products;

(ii) Enhancement developed by our Group and our competitors;

(iii) Products and services functionality, performance, price, reliability, customer services and support;

(iv) Ability to obtain partnership/joint venture with our existing service provides;

(v) Sales and marketing efforts; and

(vi) Products and service distribution channels.

Our Group's competitors vary in size and in scope and breadth of the services and products offered. Our Group encounters competition from a number of sources, all competing to be the most efficient and effective solutions provider. Some of our current and potential competitors have significantly greater resources and better competitive positions than we do. These factors may allow our competitors to respond more effectively than us. Our competitors may develop designs/products, features, or services that are similar to ours or that achieve greater market acceptance, may undertake more far-reaching and successful product development efforts or marketing campaigns, or may adopt more aggressive pricing policies. In addition, technological developments and any changes we make to our business model may require significant capital investments. We may be limited in our ability to invest funds and resources in design/products, services or opportunities and we may incur costs in maintaining the necessary and continually evolving technology infrastructure. As a result, our competitors may have acquired and engaged users at the expense of the growth or engagement of our user base, which may have negatively affected our business and financial results.

Our Group focuses on technology that is highly reliable and able to handle high capacities and also invests in product innovation to ensure our competitiveness in capturing market share and garnering market acceptance. The solutions and systems that we supply are also customised, thus providing a degree of differentiation, which helps to secure further businesses from our customers. However, there can be no assurance that our Group will be able to maintain our competitiveness against current and future competitors or that the competitive pressures will not materially and adversely affect our Group's business, operating results and financial conditions.

(f) Protection of our Group and Third Party Proprietary Technology/IP Rights

Due to the nature of our Group's business, the protection of our IP is critical to our Group's continued success. It is the policy of our Group to take continued steps to protect the IP rights including its source codes. All the source codes for the software applications are not provided to our clients. Internally, the development of the software applications are segmented and written by a few programmers. Our senior manager of IT combines these segments to form the whole software. With the exception of the senior manager of IT, any one programmer will not know the source codes for any one entire software application. In addition, we have also executed confidentiality agreements with our employees and issued other contractual licenses to our customers, clients and strategic partners, to secure the protection for our existing as well as new IPs.

Notwithstanding the above protective and contingency measures undertaken, there is no assurance that we will be able to protect our proprietary rights against unauthorised third party copying or use of our software or misappropriation of proprietary information by our employees or clients. Defending against IP infringement claims could be expensive and disruptive to our Group's business. The inability to protect our IP adequately may damage our Group's reputation and our competitive position may be harmed.

(g) Adverse global economic conditions could harm our business, results of operations and financial condition

Adverse global economic conditions and uncertain conditions could have a significant adverse effect on our Group. Negative or uncertain global economic conditions could cause many of our direct and indirect customers to delay or reduce their purchases of our products and services. If negative conditions prevent our customers' access to credit, product orders may decrease, which could result in lower revenue. Likewise, if our suppliers face challenges in obtaining credit, in selling their products or otherwise in operating their businesses, they may be unable to offer the hardware which we sell to our customers. These actions could result in reductions in our revenue and increased operating costs, which could adversely affect our business, results of operations and financial condition.

(h) Industry risks

Our Group's products and services are mainly for the ICT industry. Any significant economic downturn and or mergers and acquisitions in this industry, may result in lower expenditure, or cancellation and postponement of its products and/or projects. In this respect our Group's business, financial condition and results of operations may be adversely affected by those events.

Where appropriate, our Group may consider diversifying its existing products and services to other business sectors such that its exposure of industry risk in the ICT industry may be reduced to a certain extent.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS

The overview and prospects of the global economy, the Malaysia economy as well as the industry in which our Group operates in, namely the ICT industry in Malaysia is as follows:-

7.1 Overview and prospects of the global economy

In 2012, global economic growth moderated amid a more challenging environment compared to 2011. In the advanced economies, growth was uneven, with the US experiencing a fragile recovery and the euro area remaining in recession. The weakened economic conditions in the advanced economies affected international trade, which in turn affected domestic economic activity in the emerging economies. Weaker global growth prospects, coupled with the ongoing fiscal uncertainties in the advanced economies also contributed to sustained volatility in the international financial markets. Nonetheless, market sentiments improved towards the latter part of the year following stronger commitments and important steps taken by authorities in resolving the European sovereign debt crisis.

Despite the weak external environment, the Malaysian economy performed better than expected, delivering faster and higher quality growth. The Annual Report provides an analysis of the developments in the Malaysian economy and the policies pursued by the Bank during the year. It also provides an assessment of the prospects of the Malaysian economy amidst the ongoing developments in the global economic and financial landscape and the key challenges going forward. In addition, the report also highlights the organisational changes in the Bank to further strengthen its governance and capacity through enhancements in strategic management, risk management and talent development.

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The global growth outlook is expected to improve in 2013. Financial and policy risks have receded compared to the situation over the recent two years. Policy measures introduced in the latter half of 2012 have reduced policy uncertainties and stress in the financial markets. In the advanced economies, the pace of recovery is likely to be weak, with the differential in national growth rates reflecting the degree of economic and financial stress in the individual economies. The outlook for the emerging economies is relatively more favourable, despite their vulnerability to external developments. For most of these economies, domestic demand remains the key driver of growth. Key to the trajectory of inflation will be the prices of commodities, in particular, oil and food crops. Overall, the pace of global growth would be contingent on the strength of the revival in private sector activity in the US, the commitment towards a credible and comprehensive set of crisis resolution policies in the euro area and the sustainability of domestic demand in the emerging economies.

(Source: Bank Negara Malaysia Annual Report 2012, BNM)

7.2 Overview and prospects of the Malaysian economy

The Malaysian economy performed better than expected in 2012, recording a strong growth of 5.6%. The overall growth performance was driven by higher growth in domestic demand, which outweighed the negative impact from the weak external environment. Domestic demand recorded the highest rate of expansion over the recent decade, underpinned by higher consumption and investment spending. Despite the uncertainties in the external environment, domestic consumer confidence picked up amidst positive income growth, continued strength in the labour market, the low inflation environment and supportive financing conditions.

Investment activity was a key driver of the domestic economy during the year, with increased capital spending by both the private and public sectors. Private investment was particularly robust, recording a double-digit growth of 22%. The share of private investment rose to 15.5% of GDP in 2012, the highest since 1998. This was led by strong capital spending in the consumer-related services sectors, domestic-oriented manufacturing sectors and the implementation of major infrastructure projects. Public investment also registered a strong growth of 17.1%, driven by higher capital spending by public enterprises. In addition, the strong investment performance was also attributed to the commencement and progress of several infrastructure projects, including those under the Economic Transformation Programme (ETP), and the steady improvement in the investment climate.

On the supply side, all economic sectors continued to expand in 2012. The construction sector benefited from the strong expansion in investment activity, registering its highest pace of growth since 1995. While the growth of export-oriented activities was dampened by the slowdown in external demand, the growth of domestic related activities, particularly in the services and manufacturing sectors, was supported by the strong performance of domestic demand.

The Malaysian economy is expected to remain on a steady growth path, with an expansion of 5-6% in 2013. Economic activity will be anchored by the continued resilience of domestic demand, and supported by a gradual improvement in the external sector. Private investment is expected to remain robust, driven by capacity expansion by the domestic-oriented firms and the continued implementation of projects with long gestation periods. Investments by the external-oriented businesses is also expected to be higher amid the gradual improvement in external demand, while private consumption is projected to grow at a more moderate rate in the second half of the year, although it will continue to be well supported by sustained income growth and positive labour market conditions. Government spending is expected to record a lower growth given the ongoing consolidation of the Government's fiscal position and as the role of the private sector gains greater significance. In line with the more favourable external sector, gross exports are projected to record a higher growth in 2013 supported by the export of manufactured products. Gross imports are expected to moderate, in tandem with the projected trend in domestic demand. Overall, this is expected to result in a lower negative contribution to real GDP from net exports. As import growth continues to outpace export growth amid the continued deficit in the income account and in current transfers, the current account surplus, while still remaining significant is expected to narrow further in 2013.

On the supply side, all major economic sectors are expected to record continued expansion in 2013. The services and manufacturing sectors are expected to be the key contributors to overall growth, driven by the continued resilience of domestic demand and supported by higher international trade activity. Growth in the construction sector is projected to remain strong, supported by the implementation of major infrastructure projects. In the commodities sector, the growth of agriculture is expected to improve due to the higher output of crude palm oil and food commodities while the mining sector is expected to strengthen following the higher production of natural gas, crude oil and condensates.

Overall, the growth prospects of the Malaysian economy will continue to be underpinned by the strength of its fundamentals. Of importance, labour market conditions will remain favourable, with the unemployment rate projected to remain low at 3.1% of the labour force in 2013. In addition, the financial system continues to demonstrate resilience against the challenging external environment, with financial intermediation expected to continue to provide strong support to domestic economic activity. The introduction of macro prudential and other policy measures have helped to manage the risks from the increase in household indebtedness. Malaysia's favourable external position is to remain intact, with international reserves at healthy levels and a low external debt that is within prudent limits.

Given the challenging external environment, there, however, remain risks to the economic outlook. The potential re-emergence of instability in the euro area and slower growth in Malaysia's major trading partners would affect the Malaysian economy. While pressures from global commodity prices have receded, upside risks from non-fundamental factors, such as adverse weather conditions and geopolitical developments, could push commodity prices higher and adversely affect the growth prospects of economies that are major trading partners of Malaysia. Potential upside to the domestic economy could emerge if the recovery in the advanced economies turns out to be better than expected.

(Source: Bank Negara Malaysia Annual Report 2012, BNM)

7.3 Overview and prospects of the ICT Industry in Malaysia

The export of goods and services moderated significantly amidst weaker external demand from both the advanced and regional economies. The lower growth in gross exports was due mainly to the weaker demand for crude commodities and non-electrical and electronics (E&E) products. In the first half of the year, growth in non-E&E exports was supported by regional demand. In the second half of 2012, however, demand from the region for both manufactured and commodity exports declined, following slower growth in the major regional economies. Of significance, the lower demand for crude palm oil and natural rubber coincided with the slowdown in growth in China and the recession in the euro area. The contraction in the export of commodities was also compounded by the lower production of crude palm oil and disruptions in the production of natural gas. The export of E&E, while registering a marginal improvement, nevertheless, remained fragile due to the weak investment and consumption trends in the advanced economies. The export of services improved slightly, mainly on account of higher receipts from the provision of computer and ICT services, and business and professional services by Malaysian companies. Receipts from transportation services declined sharply, following the moderation in the export of goods and lower tourist arrivals. The slower growth in tourist arrivals also weighed down on receipts from tourism activities for the year.

(Source: Bank Negara Malaysia Annual Report 2012, BNM)

7.4 Future prospects of our Group

Although the overall business sentiments are still a little hazy on account of the current economic concerns, we have move ahead with the adoption of a number of initiatives to better prepare for the challenges ahead of us. Our Group has instituted not only improve operating efficiency and rein in costs where feasible, but also actively seek out potentially profitable synergistic activities to improve our Group's future income streams and ultimately its bottom line.

As part of our efforts to accelerate the growth of our Group, we have in September 2012 acquired 1,001 ordinary shares for a total consideration of SGD100,100 in Fatfish Capital Ltd ("FCL"). FCL owns the 100% equity interest of Fatfish Medialab Pte Ltd ("FMPL"), a private limited company incorporated in Singapore that operates an incubator of early start-up companies in the interactive digital media sector in Singapore.

Our Group will focus going forward on the development and future growth of our existing businesses and the coming new projects despite the global economic outlook for the FYE 2013 to remain challenging, with growth expected at a moderate level.

The receipt of an award from Frost & Sullivan Asia Pacific for Asia Pacific's Most Promising Innovative Application/Product for the year 2009 has enabled our Group to further penetrate into the target market both locally and overseas. Further the capital outlay for the R&D will be on an ongoing basis to improve our existing product lines and to adapt to the rapidly changing technology.

Our 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 products locally and within region of Asia.

Our Board is confident that we will perform satisfactorily in coming future years despite the prevailing challenging global economic environment.

(Source: Chairman Statement, Annual Report 2012)

Our Company recognises there is a need for state of the art, modern and functional financial services technology. Ranging from algorithmic trading formulae, to cross border transactional platforms, the ICT industry is constantly evolving and requiring continuous innovation and state of the art technology. To this end, our Company has boosted our team to include an internal coding and programming team to innovate current applications and develop a market leader product which has a regional scope.

Our Group is also concentrating on focusing our resources on implementing our existing contracts. In addition to our existing contracts, our Group is in the midst of identifying and pursuing various new contracts to sustain our Group's business and future profitability. With the continuous marketing efforts of our Company to procure new contracts from both local and overseas clients, it is expected that the marketing expenditure and human resource development of our Group would be able to translate into higher earnings and profitability for our Company for the foreseeable financial years. Our Group's on-going projects are as follows:-

No.	Project description	Project value	Balance contract value	Project period
1.	Provision of software and support services	RM0.06 million	RM0.06 million	January 2013 to December 2013
2.	Provision of maintenance and support services for call centres infrastructure	RM2.84 million	RM1.32 million	January 2011 to December 2014
3.	Provision of information technology maintenance services for health institutions	RM46.02 million	RM10.76 million	January 2008 to December 2016

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Our Group is in the midst of pursuing the following projects, details of which are as follows:-

No.	Project description	Project value	Project estimated period	Estimated profits (GP margin)	Project negotiation progress
1.	Provision of infrastructure for a cloud computing facility	RM150.0 million to 175.0 million	9 months	10% to 15%	Expected to sign the contract during the third (3rd) quarter of 2013
2.	Provision of infrastructure, software and maintenance services	RM100.0 million to RM125.0 million	18 months to 24 months	10% to 15%	On-going
3.	Provision of information technology maintenance services for health institutions	Up to RM50.0 million	5 years	15%	On-going
4.	Provision of closed circuit television and command centre infrastructure services	RM225.0 million to RM250.0 million	24 months to 30 months	15%	Initial stages of negotiation

Note:-

We are unable to reveal the project names, contracting party as well as the exact project value as we had entered into various non-disclosure agreements with these contracting parties.

However, the above contracts that we are pursuing are currently in the midst of evaluation by the respective parties and our Company has not been awarded with any of the above mentioned contracts as at the LPD.

Our Company believes it has the capacity to generate a world class product, which will allow our participation in these growing sectors. The latest trend emanating from Silicon Valley and the ICT centres of the world is a phenomenon being labeled "Startup Accelerators". In essence, these function as incubators to encourage startups and entrepreneurs with brilliant ideas, and provide them with the guidance, funding and operation stability to achieve their targets. Currently in China, America, Taiwan and Indonesia, we are seeing these incubators mushrooming with an investment size between USD5.0 million to USD50.0 million. Our research team has identified approximately thirty (30) incubators that have sprung up within the past eighteen (18) months in the Asian region, with this number multiplying exponentially in Europe and the Americas.

To this trend, our Company has decided to allocate our resources to launch our very own business startup accelerator segment. Currently, we are in negotiations with various partners to form partnership agreements with established private equity, seed investment and angel investment firms. Our Company proposes to house our very own startup accelerator and provide these startups with a solid foundation in which to grow their ideas.

Our Company has a substantial amount of experience in technology integration. Additionally, we have a team of five (5) experienced software developers shall form part of our Company's technical assistance team to offer technical know-how to startups companies, many of which our Company expects will require various aspects of software development expertise.

Going forward, we will also assemble and retain on an as-needed basis, a group of mentors, consisting of industry experts, successful entrepreneurs and academic experts who will collectively lend their experience and expertise to both our Company and these startup companies.

The business startup accelerator shall have two (2) revenue streams:-

(i) The first revenue stream will be from the monthly seat cost that our Company will charge per startup (based on the number of founders). We will receive applications from startups consisting of anywhere between two (2) to six (6) founders. Depending on the size of the startup, they will be subjected to a monthly charge based on the number of founders. At this point in time, our Group has not finalized any details on this.

(ii) This cost is benchmarked at two (2) times to three (3) times based on the cost of a similar space in a virtual office setup. The premium is based on the various benefits that the accelerator offers to startups including research facilities, mentorship, funding by our Company on a case-by-case basis and the network of exit partners.

Our Company shall evaluate the viability of such business startup and on a case-by-case basis, and we may acquire an equity interest in these startups. We expect that upon various levels of exit from the investments in the startup companies, the gains upon disposals will be recognised as revenue.

Our Company will accrue several key benefits from the business startup accelerator. First and foremost, our Company will benefit by way of being one of the early pioneers in setting up the business startup accelerators in Malaysia, on the back of a global trend of similar accelerators being set up in recent months in the United States of America, Canada, the United Kingdom and Europe, Australia, Singapore, China, India and Japan amongst others. Another benefit is that we will be able to make selective and strategic investments in the newest cutting edge technologies and startup companies at the seed funding level, which offers the highest potential for maximum returns on investments made. The risk is mitigated by the fact that each individual investment into a startup is at a very low amount and spread across many different sectors, allowing for diversification and avoiding investment concentration risk.

(Source: Management of DVM)

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

For illustration purpose, the effects of the Rights Issue with Warrants on the share capital, NA, gearing, earnings and dividends in our Group are as follows:-

8.1 Share capital

The proforma effects of the Rights Issue with Warrants on our issued and paid-up share capital are set out below:-

	Minimum Scenario		**Maximum Scenario**	
	No. of DVM Shares	**RM**	**No. of DVM Shares**	**RM**
Existing as at the LPD	193,600,000	19,360,000	193,600,000	19,360,000
To be issued pursuant to the Rights Issue with Warrants	82,000,000	8,200,000	387,200,000	38,720,000
Enlarged share capital after Rights Issue with Warrants	275,600,000	27,560,000	580,800,000	58,080,000
To be issued assuming full exercise of the Warrants	61,500,000	6,150,000	290,400,000	29,040,000
Enlarged issued and paid-up share capital	**337,100,000**	**33,710,000**	**871,200,000**	**87,120,000**

8.2 NA, NA per Share and gearing

Based on our latest audited consolidated statement of financial position as at 31 December 2012 and on the assumption that the Rights Issue with Warrants had been effected on that date, the proforma effects of the Rights Issue with Warrants on our consolidated NA, NA per Share and gearing are set out in the ensuing tables below:-

Minimum Scenario

	Audited as at 31 December 2012 RM'000	**Proforma (I)** [1] **Rights Issue with Warrants RM'000**	**Proforma (II)** [3]**After Proforma (I) and assuming full exercise of Warrants RM'000**
Share capital	19,360	27,560	33,710
Share premium	10,717	[4]10,317	10,317
Discount on Shares	-	(3,690)	-
Warrant Reserve	-	[2]3,690	-
Accumulated losses	(20,276)	(20,276)	(20,276)
Shareholders' funds/NA	**9,801**	**17,601**	**23,751**
No. of DVM Shares ('000)	193,600	275,600	337,100
NA per DVM Share (RM)	0.05	0.06	0.07
Interest bearing borrowings	9,171	7,271	7,271
Gearing ratio (times)	0.94	0.41	0.31

Notes:-

(1) Based on the Issue Price.
(2) Based on the estimated fair value of the Warrants of RM0.06 each using the Black-Scholes option pricing model.
(3) Based on the Exercise Price.
(4) After deducting estimated expenses in relation to the Proposals of RM400,000.

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Maximum Scenario

	Audited as at 31 December 2012 RM'000	Proforma (I) (1)Rights Issue with Warrants RM'000	Proforma (II) (3)After Proforma (I) and assuming full exercise of Warrants RM'000
Share capital	19,360	58,080	87,120
Share premium	10,717	(4)10,317	10,317
Discount on Shares	-	(17,424)	-
Warrant Reserve	-	(2)17,424	-
Accumulated losses	(20,276)	(20,276)	(20,276)
Shareholders' funds/NA	**9,801**	**48,121**	**77,161**
No. of DVM Shares ('000)	193,600	580,800	871,200
NA per DVM Share (RM)	0.05	0.08	0.09
Interest bearing borrowings	9,171	1,371	1,371
Gearing ratio (times)	0.94	0.03	0.02

Notes:-

(1) Based on the Issue Price.
(2) Based on the estimated fair value of the Warrants of RM0.06 each using the Black-Scholes option pricing model.
(3) Based on the Exercise Price.
(4) After deducting estimated expenses in relation to the Proposals of RM400,000.

8.3 Earnings and EPS

The Rights Issue with Warrants is expected to contribute positively to the earnings and consequently the EPS of our Group for the FYE 2013, when the benefits arising from the utilisation of proceeds raised from the Rights Issue with Warrants are realised.

The potential effect of the exercise of the Warrants on the future earnings and EPS of our Group will depend upon, amongst others, the number of Warrants exercised at any point in time and the utilisation of proceeds arising from the exercise of the Warrants. Although the exercise of the Warrants into new DVM Shares is expected to immediately dilute the EPS of our Group as a result of the increase in our issued and paid-up capital, over time, the utilisation of proceeds raised from the exercise of Warrants is expected to contribute positively to the future earnings of our Group.

8.4 Dividend

The Rights Issue with Warrants is not expected to affect the dividend policy of our Company as future dividend payable by our Company would be dependent on *inter-alia*, the future profitability and cash flow position of our Group.

8.5 Existing Convertible Securities

As at the LPD, our Group does not have any convertible securities.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that after taking into consideration the proceeds of the Rights Issue with Warrants, cash in hand, cashflow generated from our operations and banking facilities available, our Group will have adequate working capital to meet our business requirements due within a period of twelve (12) months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group had total outstanding bank borrowings as follows:-

	Floating rate interest bearing borrowings	Non-floating rate interest bearing borrowings
	RM'000	**RM'000**
Short-term borrowings	3,060	2,141
Long-term borrowings	2,162	-
Total	**5,222**	**2,141**

After having all reasonable enquires and to the best knowledge of our Board, there has not been any default on payments of either interest or principal sums by our Group, in respect of any borrowings during the FYE 2012 and for the subsequent financial period up to the LPD.

9.3 Material commitments

After having all reasonable enquires, to the best knowledge of our Board, there is no material commitment, incurred or known to be incurred, which may have a material impact on the results or financial position of our Group as at the LPD.

9.4. Contingent liabilities

Save as disclosed below, as at the LPD, our Board is not aware of any contingent liabilities, incurred or known to be incurred, which upon becoming enforceable, may have a substantial impact in the ability of our Company to meet our obligations as and when they fall due:-

Corporate Guarantee		**RM'000**
(i)	Corporate guarantee given to Malaysia Debt Ventures Berhad for project financing facilities granted to DVM Innovate Sdn Bhd	2,141
(ii)	Corporate guarantee given to Malayan Banking Berhad for credit facilities granted to DVM Innovate Sdn Bhd	2,100

10. TERMS AND CONDITIONS

The issuance of the Rights Shares with Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the Deed Poll, the NPA and RSF enclosed herewith.

11. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
DVM TECHNOLOGY BERHAD

DATO' GOH KIAN SENG
Managing Director

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Company No. 609953-K

APPENDIX I

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT OUR EGM HELD ON 29 MARCH 2013

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

EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING HELD ON 29 MARCH 2013.

CERTIFIED TRUE COPY
(Company Secretary)

RESOLVED:

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 387,200,000 NEW ORDINARY SHARES OF RM0.10 EACH IN DVM ("RIGHTS SHARES") TOGETHER WITH UP TO 290,400,000 NEW FREE DETACHABLE WARRANTS ("WARRANTS") AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE ON THE BASIS OF FOUR (4) RIGHTS SHARES TOGETHER WITH THREE (3) WARRANTS FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM0.10 EACH HELD IN DVM ("DVM SHARES") ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

THAT, subject to the passing of Ordinary Resolution 2, Special Resolution and subject further to the approval-in-principle being obtained from Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for all the Rights Shares and Warrants to be issued hereunder and all the new DVM Shares to be issued arising from the exercise of the Warrants (whether in its original form or with or subject to any condition, modification, variation and/or amendment imposed by Bursa Securities), the approval be and is hereby given to the Board of Directors ("Board") to:

(i) allot and issue up to 387,200,000 Rights Shares at an issue price of RM0.10 per Rights Share to the shareholders of DVM whose names appear on the Record of Depositors at the close of business on a date to be determined by the Directors and to be announced by the Company ("Entitled Shareholders") on the basis of four (4) Rights Shares for every two (2) DVM Shares held;

(ii) allot and issue up to 290,400,000 Warrants to the Entitled Shareholders who have successfully applied for the Rights Shares on the basis of three (3) Warrants for every four (4) Rights Shares subscribed;

(iii) constitute the Warrants upon the terms and conditions of a deed poll to be executed by DVM ("Deed Poll"), the principal terms of which are set out in the Circular to the shareholders of the Company dated 7 March 2013;

(iv) allot and issue such other additional Warrants as may be required or permitted to be issued as a result of any adjustment under the provisions of the Deed Poll; and

(v) allot and issue up to 290,400,000 new DVM Shares arising from the exercise of Warrants.

THAT the Board be and is hereby authorised to allocate the excess Rights Shares in a fair and equitable manner on a basis to be determined by the Board in their absolute discretion.

THAT the Board be and is hereby entitled to deal with all or any of the fractional entitlement of the Rights Shares and Warrants arising from the Proposed Rights Issue with Warrants, which are not validly taken up or which are not allotted for any reason whatsoever, in such manner as the Board may in their absolute discretion deems fit and in the best interest of the Company.

THAT all the Rights Shares shall, upon allotment and issue, rank *pari passu* in all respects with the existing DVM Shares in issue, save and except that they will not be entitled to any dividends, rights, allotment and/or other distributions, made or paid prior to the entitlement date of which is before the date of allotment of the Rights Shares.

THAT the new DVM Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the then existing DVM Shares in issue, save and except that they

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT OUR EGM HELD ON 29 MARCH 2013 *(Cont'd)*

will not be entitled to any dividends, rights, allotment and/or other distributions, made or paid on or prior to the date of allotment of the new DVM Shares to be issued arising from the exercise of the Warrants.

AND THAT the Board be and are further authorised to do all acts, deeds and things and execute all necessary documents as they may deem fit or expedient in order to carry out, finalise and give effect to the Proposed Rights Issue with Warrants with full powers to assent to or make any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Rights Issue with Warrants."

SPECIAL RESOLUTION

PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF DVM TECHNOLOGY BERHAD ("PROPOSED AMENDMENTS")

THAT, subject to the passing of Ordinary Resolution 1 and Ordinary Resolution 2, the Memorandum of Association of the Company be amended by deleting the existing Clause 5 in its entirety and substituting in place thereof the following new Clause 5:-

Existing Clause 5 of the Memorandum of Association of DVM	**Proposed new Clause 5 of the Memorandum of Association of DVM**
The Capital of the Company is RM50,000,000.00 Malaysian Currency divided into 500,000,000 shares of RM0.10 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restriction as to dividends, capital, voting or otherwise.	The Capital of the Company is RM100,000,000.00 Malaysian Currency divided into 1,000,000,000 shares of RM0.10 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restriction as to dividends, capital, voting or otherwise.

ORDINARY RESOLUTION 2

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY ("Proposed IASC")

THAT, subject to the passing of Ordinary Resolution 1 and the Special Resolution, the authorised share capital of the Company be increased from RM50,000,000 (Ringgit Malaysia Fifty Million only) divided into 500,000,000 ordinary shares of RM0.10 each to RM100,000,000 (Ringgit Malaysia One Hundred Million only) divided into 1,000,000,000 ordinary shares of RM0.10 each by the creation of 500,000,000 ordinary shares of RM0.10 each in the share capital of the Company.

CONFIRMED BY

Director
DATO' GOH KIAN SENG

Company Secretary
PANG KAH MAN (f)
(MIA 18831)

CERTIFIED TRUE COPY
(Company Secretary)

Dated this 29 March 2013

SALIENT TERMS OF THE WARRANTS

Terms		Details
Number of Warrants	:	Up to 290,400,000 Warrants to subscribe for up to 290,400,000 new DVM Shares, to be issued to the Entitled Shareholders who subscribe for the Rights Issue with Warrants
Detachability	:	The Warrants which are to be issued with the Rights Issue with Warrants are immediately detachable upon allotment and issue of the Rights Shares. The Warrants will be traded separately.
Issue Price	:	The Warrants are to be issued free to the Entitled Shareholders and renouncees who subscribe for the Rights Shares.
Exercise Price	:	The exercise price of the Warrants is RM0.10 each. The exercise price and the number of outstanding Warrants shall however be subject to the adjustments in accordance with the terms and provisions of the Deed Poll during the Exercise Period.
Exercise Period	:	The Warrants may be exercised any time during the period commencing on and including the date of issuance of the Warrants ("Issue Date") and ending at the close of business at 5.00 p.m. in Malaysia on a date preceding the fifth (5^{th}) anniversary from the Issue Date. Any Warrants not exercised at the close of business of the Expiry Date will lapse and become null and void.
Exercise Rights	:	Each Warrant entitles the registered holder to subscribe for the number of one (1) new DVM Share for each Warrant at the Exercise Price during the Exercise Period and shall be subject to adjustments in accordance with the Deed Poll.
Expiry Date	:	At the close of business at 5.00 p.m. in Malaysia on the last day of the Exercise Period, provided that if such day falls on a day which is not a Market Day, then on the preceding Market Day.
Mode of Exercise	:	The holders of the Warrants shall pay cash by way of banker's draft or cashier's order or money order or postal order drawn on a bank or post office in Malaysia for the aggregate Exercise Price payable when exercising the Warrants and subscribing for new DVM Shares.
Deed Poll	:	The Warrants are constituted by the Deed Poll.
Board Lot	:	The Warrants are tradeable upon listing in board lots of 100 units carrying rights to subscribe for 100 new DVM Shares at any time during the Exercise Period or such other number of units as may be prescribed by Bursa Securities.
Status of new DVM Shares to be issued pursuant to the exercise of the Warrants	:	All the new DVM Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issue, rank *pari passu* in all respects with the existing Shares, save and except that the new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, made or paid prior to the Entitlement Date of which is before the date of allotment of the Rights Shares

Terms		Details
Rights in the Event of Winding Up, Liquidation, Compromise and/or Arrangement	:	Where a resolution has been passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme of arrangement between the Company and its shareholders and/or creditors, then:- (a) if such winding up or scheme of arrangement is one in which the Warrant Holders, or some person designated by them for such purpose by Special Resolution, are to be a party, the terms of such winding up or scheme of arrangement are binding on all the Warrant Holders; and (b) in a voluntary winding up or compromise or arrangement in any other case, every Warrant Holder is entitled upon and subject to the terms and conditions of the Deed Poll at any time, within six (6) weeks after the passing of such resolution for a members voluntary winding-up of the Company or within six (6) weeks from the last approval being granted for the compromise or arrangement, by irrevocable surrender of his Warrants to the Company by submitting the Exercise Form(s) duly completed, authorising the debiting of his Warrants, together with payment of the relevant Exercise Price to elect, be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement, exercised the Exercise Rights represented by such Warrants to the extent specified in the Exercise Form(s) and had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company or the Company, as the case may be, must give effect to such election accordingly and all Exercise Rights, which have not been exercised within the above six (6) weeks, will lapse and the Warrants will cease to be valid for any purpose.
Listing	:	Approval has been obtained from Bursa Securities for the admission of the Warrants to the Official List of the ACE Market of Bursa Securities as well as for the listing and quotation for the Warrants and new DVM Shares to be issued arising from the exercise of the Warrants.
Adjustment in the Exercise Price and/or the number of Warrants held by warrant holders in event of alteration to the share capital	:	Subject to the provision in the Deed Poll, the Exercise Price and the number of Warrants held by each Warrant holders shall be adjusted by the Board in consultation with the adviser and certification of the external auditors, in the event of alteration to the share capital of the Company.
Further Issues	:	Subject to the provision in the Deed Poll, the Company is free to issue shares to shareholders either for cash or as a bonus distribution and further subscription rights upon such term and conditions as the Company sees fit but the Warrant holders will not have any participating rights in such issue unless otherwise resolved by the Company in general meeting.
Governing Law	:	Laws of Malaysia.

INFORMATION ON OUR COMPANY

1. HISTORY AND BUSINESS

DVM was incorporated in Malaysia on 25 March 2003 pursuant to the Act as a public limited company.

We were listed on the then Malaysian Exchange of Securities Dealing and Automated Quotation Berhad ("Mesdaq") Market of Kuala Lumpur Stock Exchange (now known as the ACE Market of Bursa Securities) on 2 January 2004.

We are principally an investment holding company as well as provision of specialised telecommunication, data communication, computer networking solutions, professional services for the development of communication infrastructure and operational support system, development of software and services for communication infrastructure. The principal activities of our subsidiaries are set out in Section 5 below.

2. SHARE CAPITAL

As at the LPD, our authorised and issued and paid-up share capital are as follows:-

Type	No. of Shares	Par value RM	Total RM
Authorised	1,000,000,000	0.10	100,000,000
Issued and fully paid-up	193,600,000	0.10	19,360,000

Changes in Issued and Paid-Up Share Capital

The changes in our Company's issued and paid-up share capital since incorporation are as follows:-

Date of allotment	No. of Shares	Par value RM	Consideration	Accumulated Total RM
25 March 2003	20	0.10	Subscribers' shares	2
29 July 2003	73,495,700	0.10	Otherwise then cash	7,349,572
10 September 2003	46,504,280	0.10	Cash	12,000,000
26 December 2003	40,000,000	0.10	Cash	16,000,000
29 December 2005	2,500,000	0.10	Cash	16,250,000
20 March 2006	13,500,000	0.10	Cash	17,600,000
30 March 2012	17,600,000	0.10	Cash	19,360,000

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3. SUBSTANTIAL SHAREHOLDERS

Based on our Registrar of Substantial Shareholders as at the LPD, the proforma effects of the Rights Issue with Warrants on the shareholdings of our substantial shareholders are as follows:-

Minimum Scenario

Name of Substantial Shareholder	As at the LPD				Proforma (I) After the Rights Issue with Warrants				Proforma (II) After (I) and assuming full exercise of Warrants			
	<---Direct--->		<---Indirect--->		<---Direct--->		<---Indirect--->		<---Direct--->		<---Indirect--->	
	No. of DVM Shares	%	No. of DVM Shares	%	No. of DVM Shares	%	No. of DVM Shares	%	No. of DVM Shares	%	No. of DVM Shares	%
DGKS	8,892,000	4.59	-	-	90,892,000	32.98	-	-	152,392,000	45.2	-	-

Maximum Scenario

Our Company does not have any substantial shareholders as at the LPD. As such, under the Maximum Scenario, there will not be any new substantial shareholders arising from the Rights Issue with Warrants and assuming the full exercise of the Warrants by our Entitled Shareholders

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4. BOARD OF DIRECTORS

The age, profession, designation, nationalities and addresses of our Board are set out under the Corporate Information on Board of Directors on page (1) of this Abridged Prospectus.

Minimum Scenario

Name of Director	As at the LPD				Proforma (I) After the Rights Issue with Warrants				Proforma (II) After (I) and assuming full exercise of Warrants			
	<---Direct--->		<---Indirect--->		<---Direct--->		<---Indirect--->		<---Direct--->		<---Indirect--->	
	No. of DVM Shares	%	No. of DVM Shares	%	No. of DVM Shares	%	No. of DVM Shares	%	No. of DVM Shares	%	No. of DVM Shares	%
DGKS	8,892,000	4.59	-	-	90,892,000	32.98	-	-	152,392,000	45.2	-	-
Gen. (R) Tan Sri Abdul Rahman bin Abdul Hamid	-	-	-	-	-	-	-	-			-	-
Roy Ho Yew Kee	-	-	-	-	-	-	-	-	-	-	-	-
Kamarudin bin Ngah	-	-	-	-	-	-	-	-	-	-	-	-
Yee Yit Yang	-	-	-	-	-	-	-	-	-	-	-	-

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Maximum Scenario

Name of Director	As at the LPD				Proforma (I) After the Rights Issue with Warrants				Proforma (II) After (I) and assuming full exercise of Warrants			
	<---Direct--->		<---Indirect--->		<---Direct--->		<---Indirect--->		<---Direct--->		<---Indirect--->	
	No. of DVM Shares	%	No. of DVM Shares	%	No. of DVM Shares	%	No. of DVM Shares	%	No. of DVM Shares	%	No. of DVM Shares	%
DGKS	8,892,000	4.59	-	-	26,676,000	4.59	-	-	40,014,000	4.59	-	-
Gen. (R) Tan Sri Abdul Rahman bin Abdul Hamid	-	-	-	-	-	-	-	-	-	-	-	-
Roy Ho Yew Kee	-	-	-	-	-	-	-	-	-	-	-	-
Kamarudin bin Ngah	-	-	-	-	-	-	-	-	-	-	-	-
Yee Yit Yang	-	-	-	-	-	-	-	-	-	-	-	-

Note:

~ *Negligible.*

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5. SUBSIDIARIES AND ASSOCIATED COMPANIES

Our subsidiaries as at the LPD are as follows:-

Name	Date and place of incorporation	Issued and paid-capital RM (unless otherwise stated)	Effective ownership %	Principal activities
DVM Innovate Sdn Bhd	28 February 1997/ Malaysia	8,500,000	100	Provision of communications systems integration and solutions, data network, data communications solution, business and operational support systems
NGC Systems Sdn Bhd	18 September 2002/ Malaysia	5,500,000	100	Development of software applications and provision of communication solutions
Key Alliance Sdn Bhd	14 February 2004/ Malaysia	1,000,000	100	Dormant
DVM Communications Sdn Bhd	21 July 2005/ Malaysia	2.00	100	Dormant
Mobile Video International Limited	1 April 2008/ Cayman Islands	USD50,000	60	Provider of 3G broadband video mobile services and related software applications and accessories
DVM Intellisource Sdn Bhd^	23 January 1998/ Malaysia	1,500,000	100	Provision of business and operational support systems and services, software development and business process outsourcing
FCL*	18 June 2012/British Virgin Island	SGD200,200	50	Investment holding company.
FMPL#	14 August 2011/ Singapore	SGD250,000	100	Investing, development and marketing of Internet and digital media software

Notes:-

^ *A 100% equity-owned subsidiary of DVM Innovate Sdn Bhd.*
* *Our associate company.*
# *FMPL is a wholly-owned subsidiary of FCL.*

6. PROFIT AND DIVIDEND RECORDS

The profit and dividend records based on our Group's audited consolidated financial statements from the FYEs 2010 to 2012 and the unaudited consolidated financial statements for the FPE 31 March 2013 are as follows:-

	<----------FYE---------->			
	2010 (audited)	2011 (audited)	2012 (audited)	FPE 31 March 2013 (unaudited)
	RM'000	RM'000	RM'000	RM'000
Revenue	47,750	29,144	9,060	3,391
Cost of sales	(39,166)	(22,015)	(5,106)	1,908
Gross profit	**8,584**	**7,129**	**3,954**	**1,483**
Other income	2,585	2,078	1,712	173
Finance costs	(1,595)	(1,359)	(819)	(148)
Distribution, administration and other expenses	(10,834)	(14,599)	(9,046)	(1,502)
Share of loss of associate company	-	-	(65)	(15)
LBT	**(1,260)**	**(6,751)**	**(4,264)**	**(9)**
Tax expense	(207)	(299)	(581)	-
LAT	**(1,467)**	**(7,050)**	**(4,845)**	**(9)**
Attributable to:-				
Equity holders of the Company	(1,418)	(6,009)	(4,793)	(3)
Non-controlling interest	(49)	(1,041)	(52)	(6)
LAT	**(1,467)**	**(7,050)**	**(4,845)**	**(9)**
Share capital	17,600	17,600	19,360	19,360
Share premium	10,717	10,717	10,717	10,717
Accumulated losses	(9,474)	(15,483)	(20,276)	(20,279)
	18,843	**12,834**	**9,801**	**9,798**
Non-Controlling interest	-	(1,041)	(1,093)	(1,100)
Equity attributable to owners of our Company	**18,843**	**11,793**	**8,708**	**8,698**
Earnings before interest and taxation	335	(5,392)	(3,445)	139
Earnings before interest, taxation, depreciation and amortisation	5,214	1,957	3,867	717
Gross LPS	(0.81)	(3.41)	(2.59)	~
Net LPS	(0.81)	(3.41)	(2.53)	~
Gross Profit margin (%)	18.0	24.5	43.6	16.5
Diluted net LPS	(0.81)	(3.41)	(2.53)	~

Note:

~ *Negligible*

Commentary on Financial Performance

Audited FYE 2010

Based on the audited financial statements of our Group for the FYE 2010, our Group recorded a LAT position of RM1.47 million and a net current liabilities position of RM1.59 million. In addition, our Group's revenue declined substantially by 39% as compared to FYE 2009 from RM78.40 million to RM47.75 million due to the declining global and domestic market demand and stiff competitive market. In line with the decline in revenue, the gross profit of our Group also declined by 48% for the FYE 2010. The net loss suffered by the our

Group during the FYE 2010 was mainly due to insufficient gross profit generated to cover the fixed operating cost such as finance cost, amortisation and distribution expenses of our Group.

Audited FYE 2011

Based on the audited financial statements of our Group for the FYE 2011, our Group recorded a LAT of RM7.05 million and a net current liabilities position of RM5.67 million. In addition, our Group's revenue declined substantially from RM47.75 million during FYE 2010 to RM29.14 million during FYE 2011, due to the declining global and domestic market demand and stiff competitive market for our ICT products. In line with the decline in revenue, and resulting from the higher depreciation and allowance on impairment losses on trade receivables and assets expenses of RM4.60 million, our Group's net loss has also increased from RM1.47 million during FYE 2010 to RM7.05 million during FYE 2011.

Audited FYE 2012

Based on the financial statement for the FYE 2012, our Group recorded a LAT position of RM4.85 million and a net current liabilities position of RM4.08 million. Our Group's revenue declined substantially as compared to the preceding FYE 2011 from RM29.14 million to RM9.06 million, due to the declining global and domestic market demand and stiff competitive market for our ICT products, which has affected the billings for our products and services. Our revenue for the period under review was mainly driven by the project secured for our network and systems integration and our Genico Broadband Telephony products sold to our existing customers.

The decrease in LAT from RM7.05 million recorded during FYE 2011 to RM4.85 million recorded during FYE 2012 was due to the decrease in the distribution, administrative and other expenses incurred from RM14.60 million during FYE 2011 to RM9.05 million during FYE 2012. The decrease in our Group's distribution, administrative and other expenses was attributed to lower staff costs and expenditure incurred during the financial period under review.

Unaudited three (3)-months FPE 30 March 2013

Based on the unaudited quarterly results for the three (3)-months FPE 31 March 2013, our Group recorded a LAT position of RM0.01 million and a net current liabilities position of RM3.75 million. Our Group's revenue increased by 41.23% from RM2.40 million to RM3.39 million as compared to the previous three (3)-months FPE 31 March 2012, due to the increase in billings for our products and services during the current quarter. Our revenue for the period under review was mainly driven by the project secured for our network and systems integration and our broadband telephony products sold to our existing customers.

The recorded a LAT position of RM0.01 million as compared to a PAT position of RM3.11 million during the preceding three (3)-months FPE 31 March 2012 was due to an adjustment on fair value of our investment property of RM4.19 million during the previous financial period for FPE 31 March 2012.

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7. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of DVM Shares as traded on Bursa Securities for the past twelve (12) months are as follows:-

	High RM	Low RM
2012		
June	0.125	0.105
July	0.130	0.110
August	0.135	0.115
September	0.125	0.110
October	0.130	0.110
November	0.125	0.095
December	0.120	0.095
2013		
January	0.120	0.095
February	0.115	0.095
March	0.100	0.080
April	0.100	0.085
May	0.140	0.085

The last transacted price of DVM Shares on 25 May 2012 being the date immediately prior to the announcement of the Proposals was RM0.105 per Share.

The last transacted price of DVM Shares on 5 June 2013, being the day prior to the ex-date of the Rights Issue with Warrants was RM0.110 per Share.

The last transacted price of DVM Shares on the LPD was RM0.105 per Share.

(Source: M&A Securities)

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DVM TECHNOLOGY BERHAD
(Company No: 609953-K)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

SJ GRANT THORNTON

CHARTERED ACCOUNTANTS

Member of Grant Thornton International

Grant Thornton

An instinct for growth™

REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

SJ Grant Thornton (AF:0737)
Level 11 Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia

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www.gt.com.my

22 May 2013

The Board of Directors
DVM TECHNOLOGY BERHAD
3-2, 3rd Mile Square
No. 151, Jalan Kelang Lama
Batu 3 1/2, 58100
Kuala Lumpur

Dear sirs,

DVM TECHNOLOGY BERHAD ("DVM")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

We have reviewed the Proforma Consolidated Statements of Financial Position of DVM and its subsidiary companies ("DVM Group" or "Group") for the financial year ended 31 December 2012 together with the notes and assumptions thereto, which we have stamped for the purpose of identification. The Proforma Consolidated Statements of Financial Position have been prepared for illustrative purposes solely for the purpose of inclusion in the Abridged Prospectus in connection to the Proposals (as defined herein) to be dated on 10 June 2013.

The Proforma Consolidated Statements of Financial Position, because of its nature, may not give a true picture of the DVM Group's actual financial position. Further, such information does not predict the Group's future financial position.

It is the sole responsibility of the Directors of DVM to prepare the Proforma Consolidated Statements of Financial Position in accordance with the requirements of the Prospectus Guidelines issued by the Securities Commission. Our responsibility is to form an opinion as required by the Prospectus Guidelines on the Proforma Consolidated Statements of Financial Position and our letter is given to you solely for this, and for no other purposes.

In providing this opinion, we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Proforma Consolidated Financial Information, nor do we accept responsibility for such reports or opinions beyond that is owed to those to whom those reports or opinions were addressed by us at the date of their issue.

Our work, which involved no independent examination of any of the underlying financial information, is primarily based on the audited financial statements of DVM and other source documents, considering the evidence supporting the adjustments and discussing the Proforma Consolidated Statements of Financial Position with the Directors and responsible officers of the DVM Group.

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2012 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON *(Cont'd)*

GrantThornton
An instinct for growth™

In our opinion, the Proforma Consolidated Statements of Financial Position together with the accompanying notes which are provided solely for illustrative purposes only,

(a) have been properly compiled on a basis of preparation as stated in the notes thereto; such basis is consistent with the accounting policies normally adopted by the DVM Group;

(b) the adjustments are appropriate for the purposes of the Proforma Consolidated Statements of Financial Position; and

(c) the audited financial statements used in the preparation of the Proforma Consolidated Financial Information were prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") and in manner consistent with both the format of the audited financial statements and the accounting policies of the DVM Group for the financial year ended 31 December 2012.

The auditors' report for financial year ended 31 December 2012 includes an emphasis of matter in respect of the uncertainty related to future unsecured projects as well as the expiry of the main rental contract of the DVM Group. This has led to the significant doubt on the going concern of the DVM Group and the likely impairment on the project-related assets of the DVM Group.

Yours faithfully,

SJ GRANT THORNTON
NO. AF: 0737
CHARTERED ACCOUNTANTS

HOOI KOK MUN
PARTNER
NO: 2207/01/14(J)

DVM TECHNOLOGY BERHAD
(Company No: 609953-K)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. PROFORMA GROUP AND BASIS OF PREPARATION

Proforma Group

The Proforma Consolidated Statements of Financial Position has been prepared based on accounting policies, assumptions and bases which are consistent with those disclosed in the audited financial statements of DVM for the financial year ended 31 December 2012.

The Proforma Consolidated Statements of Financial Position together with the accompanying notes thereon, have been prepared based on accounting principles and bases consistent with those adopted in the preparation of audited financial statements of DVM and its subsidiaries ("DVM Group") as at 31 December 2012 and the audited Statements of Financial Position of DVM assuming that all the transactions mentioned below had taken place on 31 December 2012:

1.1 Proforma I –Proposed Rights Issue with Warrants

(a) Proposed renounceable rights issue of up to 387,200,000 new ordinary shares of RM0.10 each in DVM ("Rights Shares") together with up to 290,400,000 new free detachable warrants ("Warrants") at an issue price of RM0.10 per Rights Share on the basis of four (4) Rights Shares together with three (3) Warrants for every two (2) existing ordinary shares of RM0.10 each held in DVM ("DVM Shares") ("Proposed Rights Issue with Warrants");

(b) Proposed amendments to the Memorandum of Association of the Company ("Proposed Amendments"); and

(c) Proposed increase in the authorised share capital of the Company from RM50,000,000 comprising 500,000,000 DVM Shares to RM100,000,000 comprising 1,000,000,000 DVM Shares ("Proposed IASC")

The abovementioned is collectively referred to as the "Proposals".

The Proposed Amendments and IASC would not have any financial effect on the Proforma Consolidated Statements of Financial Position.

Stamped for the purpose of identification on:
22 MAY 2013
SJ Grant Thornton

DVM TECHNOLOGY BERHAD
(Company No: 609953-K)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

1. PROFORMA GROUP AND BASIS OF PREPARATION (CONT'D)

1.1 Proforma I –Proposed Rights Issue with Warrants (Cont'd)

Minimum Scenario

The issuance of up to 82,000,000 Rights Shares together with up to 61,500,000 Warrants based on the issue price of RM0.10 per Rights Share will raise gross cash proceeds of RM8,200,000 which will be utilised in the following manner:-

	RM
Working capital:-	
- Day-to-day working capital expenses	2,000,000
- Setting up of startup accelerator	3,900,000
Repayment of bank borrowings	1,900,000
Estimated expenses in relation to the Proposals	400,000
	8,200,000

Maximum Scenario

The issuance of up to 387,200,000 Rights Shares together with up to 290,400,000 Warrants based on the issue price of RM0.10 per Rights Shares will raise gross cash proceeds of RM38,720,000, which will be utilised in the following manner:-

	RM
Working capital:-	
- Day-to-day working capital expenses	26,620,000
- Setting up of startup accelerator	3,900,000
Repayment of bank borrowings	7,800,000
Estimated expenses in relation to the proposals	400,000
	38,720,000

Included in working capital is estimated expenses incurred to set up a business start-up accelerator operations consists of RM2,673,000 for the purchase of property, plant and equipment.

The estimated expenses in relation to the Proposals of RM400,000 will be charged against share premium.

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22 MAY 2013
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DVM TECHNOLOGY BERHAD
(Company No: 609953-K)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

1. PROFORMA GROUP AND BASIS OF PREPARATION (CONT'D)

1.1 Proforma I – Proposed Rights Issue with Warrants (Cont'd)

Pursuant to the issuance of Warrants under the Proposed Rights Issue with Warrants, a Warrants Reserve account will be created based on the indicative fair value of RM0.06 as of for the Warrants issued.

	Minimum Scenario	Maximum Scenario
The number of Warrants to be issued (unit)	61,500,000	290,400,000
Indicative fair value per Warrants (RM)	0.06	0.06
Warrants Reserve (RM)	3,690,000	17,424,000

1.2 Proforma II – After Proforma I and Exercise of Warrants

Minimum Scenario

All the 61,500,000 Warrants issued pursuant to the Proposed Right Issue with Warrants are exercised at an exercise price of RM0.10 per Warrants and credited as issued and fully paid-up amounting up to RM6,150,000.

Maximum Scenario

All the 290,400,000 Warrants issued pursuant to the Proposed Right Issue with Warrants are exercised at an exercise price of RM0.10 per Warrants credited as issued and fully paid-up amounting up to RM29,040,000.

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22 MAY 2013
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DVM TECHNOLOGY BERHAD
(Company No: 609953-K)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

2. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

The Proforma Consolidated Statements of Financial Position set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 1 to the Proforma Consolidated Statements of Financial Position based on the assumption that the Proposals transactions were completed on 31 December 2012:-

Minimum Scenario

		Audited Consolidated Statements of Financial Position as at 31 December 2012 RM	Proforma I Rights Issue with Warrants RM	Proforma II After I and Full Exercise of Warrants RM
ASSETS				
Non-current assets				
Property, plant and equipment	2.1	7,719,494	10,392,494	10,392,494
Investment properties		8,000,000	8,000,000	8,000,000
Investment in an associate		188,153	188,153	188,153
Development expenditure		1,261,718	1,261,718	1,261,718
Total non-current assets		17,169,365	19,842,365	19,842,365
Current assets				
Trade receivables		3,495,076	3,495,076	3,495,076
Other receivables		980,676	980,676	980,676
Tax recoverable		16,600	16,600	16,600
Fixed deposits with a licensed bank		2,095,535	2,095,535	2,095,535
Cash and bank balances	2.2	2,776,570	6,003,570	12,153,570
Total current assets		9,364,457	12,591,457	18,741,457
TOTAL ASSETS		26,533,822	32,433,822	38,583,822
EQUITY AND LIABITIES				
Equity				
SHARE CAPITAL	2.3	19,360,000	27,560,000	33,710,000
SHARE PREMIUM	2.4	10,716,665	10,316,665	10,316,665
DISCOUNT ON SHARES		-	(3,690,000)	-
WARRANT RESERVE	2.5	-	3,690,000	-
ACCUMULATED LOSSES		(20,276,285)	(20,276,285)	(20,276,285)
Equity attribute to owner of the company		9,800,380	17,600,380	23,750,380
Non controlling interests		(1,093,586)	(1,093,586)	(1,093,586)
Total equity		8,706,794	16,506,794	22,656,794

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22 MAY 2013
SJ Grant Thornton

DVM TECHNOLOGY BERHAD
(Company No: 609953-K)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

2. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012 (CONT'D)

The Proforma Consolidated Statements of Financial Position set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 1 to the Proforma Consolidated Statements of Financial Position on the assumption that the Proposals transactions were completed on 31 December 2012:- (cont'd)

Minimum Scenario (Cont'd)

		Audited Consolidated Statements of Financial Position as at 31 December 2012 RM	Proforma I Rights Issue with Warrants RM	Proforma II After I and Full Exercise of Warrants RM
Non-current liabilities				
Borrowings	2.6	2,699,079	2,699,079	2,699,079
Hire purchase payable		4,355	4,355	4,355
Deferred taxation		1,675,983	1,675,983	1,675,983
Total non-current liabilities		4,379,417	4,379,417	4,379,417
Current liabilities				
Trade payables		1,154,665	1,154,665	1,154,665
Other payables		3,142,706	3,142,706	3,142,706
Amount due to a Director		2,639,000	2,639,000	2,639,000
Borrowings	2.6	6,441,971	4,541,971	4,541,971
Hire purchase payable		25,956	25,956	25,956
Tax payable		43,313	43,313	43,313
Total current liabilities		13,447,611	11,547,611	11,547,611
Total liabilities		17,827,028	15,927,028	15,927,028
TOTAL EQUITY AND LIABILITIES		26,533,822	32,433,822	38,583,822
Par value (RM)		0.10	0.10	0.10
Issued and paid-up capital (Unit)		193,600,000	275,600,000	337,100,000
Net assets per share (RM)*		0.05	0.06	0.07
Net tangible assets per share (RM)**		0.04	0.06	0.07
Gearing (times)#		0.94	0.41	0.31

* Net asset per share is computed as net assets divided by paid-up share capital

** Net tangible asset per share is computed as net tangible assets divided by paid-up share capital

Gearing is computed by dividing total long term and short term interest bearing indebtness and borrowings by total equity attribute to owner of the company

Stamped for the purpose of identification on:
22 MAY 2013
SJ Grant Thornton

DVM TECHNOLOGY BERHAD
(Company No: 609953-K)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

2. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012 (CONT'D)

The Proforma Consolidated Statements of Financial Position set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 1 to the Proforma Consolidated Statements of Financial Position on the assumption that the Proposals transactions were completed on 31 December 2012:- (cont'd)

Maximum Scenario

		Audited Consolidated Statements of Financial Position as at 31 December 2012 RM	Proforma I Rights Issue with Warrants RM	Proforma II After I and Full Exercise of Warrants RM
ASSETS				
Non-current assets				
Property, plant and equipment	2.1	7,719,494	10,392,494	10,392,494
Investment properties		8,000,000	8,000,000	8,000,000
Investment in an associate		188,153	188,153	188,153
Development expenditure		1,261,718	1,261,718	1,261,718
Total non-current assets		17,169,365	19,842,365	19,842,365
Current assets				
Trade receivables		3,495,076	3,495,076	3,495,076
Other receivables		980,676	980,676	980,676
Tax recoverable		16,600	16,600	16,600
Fixed deposits with a licensed bank		2,095,535	2,095,535	2,095,535
Cash and bank balances	2.2	2,776,570	30,623,570	59,663,570
Total current assets		9,364,457	37,211,457	66,251,457
TOTAL ASSETS		26,533,822	57,053,822	86,093,822
EQUITY AND LIABITIES				
Equity				
SHARE CAPITAL	2.3	19,360,000	58,080,000	87,120,000
SHARE PREMIUM	2.4	10,716,665	10,316,665	10,316,665
DISCOUNT ON SHARES		-	(17,424,000)	-
WARRANT RESERVE	2.5	-	17,424,000	-
ACCUMULATED LOSSES		(20,276,285)	(20,276,285)	(20,276,285)
Equity attribute to owner of the company		9,800,380	48,120,380	77,160,380
Non controlling interests		(1,093,586)	(1,093,586)	(1,093,586)
Total equity		8,706,794	47,026,794	76,066,794

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DVM TECHNOLOGY BERHAD
(Company No: 609953-K)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

2. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012 (CONT'D)

The Proforma Consolidated Statements of Financial Position set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 1 to the Proforma Consolidated Statements of Financial Position on the assumption that the Proposals transactions were completed on 31 December 2012:- (cont'd)

Maximum Scenario (Cont'd)

		Audited Consolidated Statements of Financial Position as at 31 December 2012 RM	Proforma I Rights Issue with Warrants RM	Proforma II After I and Full Exercise of Warrants RM
Non-current liabilities				
Borrowings	2.6	2,699,079	1,341,050	1,341,050
Hire purchase payable		4,355	4,355	4,355
Deferred taxation		1,675,983	1,675,983	1,675,983
Total non-current liabilities		4,379,417	3,021,388	3,021,388
Current liabilities				
Trade payables		1,154,665	1,154,665	1,154,665
Other payables		3,142,706	3,142,706	3,142,706
Amount due to a Director		2,639,000	2,639,000	2,639,000
Borrowings	2.6	6,441,971	-	-
Hire purchase payable		25,956	25,956	25,956
Tax payable		43,313	43,313	43,313
Total current liabilities		13,447,611	7,005,640	7,005,640
Total liabilities		17,827,028	10,027,028	10,027,028
TOTAL EQUITY AND LIABILITIES		26,533,822	57,053,822	86,093,822
Par value (RM)		0.10	0.10	0.10
Issued and paid-up capital (Unit)		193,600,000	580,800,000	871,200,000
Net assets per share (RM)*		0.05	0.08	0.09
Net tangible assets per share (RM)**		0.04	0.08	0.09
Gearing (times)#		0.94	0.03	0.02

* Net asset per share is computed as net assets divided by paid-up share capital

** Net tangible asset per share is computed as net tangible assets divided by paid-up share capital

Gearing is computed by dividing total long term and short term interest bearing indebtness and borrowings by total equity attribute to owner of the company

DVM TECHNOLOGY BERHAD
(Company No: 609953-K)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

2. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012 (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

2.1 PROPERTY, PLANT & EQUIPMENT

The movements in property, plant and equipment are as follows:-

Minimum and Maximum Scenario

	Amount RM
As at 31 December 2012	7,719,494
Additions for set up costs and working capital expenses in relation to the startup accelerator	2,673,000
As per Proforma I/ Proforma II	10,392,494

2.2 CASH AND BANK BALANCES

The movements in the cash and bank balances are as follows:-

	Minimum Scenario RM	Maximum Scenario RM
As at 31 December 2012	2,776,570	2,776,570
Arising from the Proposed Rights Issue with Warrants	8,200,000	38,720,000
Estimated expenses related to setting-up of accelerator operations	(2,673,000)	(2,673,000)
Repayment of bank borrowings	(1,900,000)	(7,800,000)
Estimated expenses in relation to the Proposals	(400,000)	(400,000)
As per Proforma I	6,003,570	30,623,570
Arising upon full exercise of Warrants	6,150,000	29,040,000
As per Proforma II	12,153,570	59,663,570

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DVM TECHNOLOGY BERHAD
(Company No: 609953-K)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

2. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012 (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

2.3 SHARE CAPITAL

The movements in the share capital are as follows:-

Minimum Scenario

	No. of Shares	Amount RM
As at 31 December 2012	193,600,000	19,360,000
Arising from the Proposed Rights Issue with Warrants	82,000,000	8,200,000
As per Proforma I	275,600,000	27,560,000
Arising upon full exercise of Warrants	61,500,000	6,150,000
As per Proforma II	337,100,000	33,710,000

Maximum Scenario

	No. of Shares	Amount RM
As at 31 December 2012	193,600,000	19,360,000
Arising from the Proposed Rights Issue with Warrants	387,200,000	38,720,000
As per Proforma I	580,800,000	58,080,000
Arising upon full exercise of Warrants	290,400,000	29,040,000
As per Proforma II	871,200,000	87,120,000

DVM TECHNOLOGY BERHAD
(Company No: 609953-K)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

2. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012 (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

2.4 SHARE PREMIUM

The movements in the share premium are as follows:-

Minimum and Maximum Scenario

	RM
As at 31 December 2012	10,716,665
Estimated expenses in relation to the Proposals	(400,000)
As per Proforma I/ Proforma II	10,316,665

2.5 WARRANT RESERVE

The movements in the warrant reserve are as follows:-

	Minimum Scenario RM	Maximum Scenario RM
As at 31 December 2012	-	-
Arising from the Rights Issue With Warrants	3,690,000	17,424,000
As per Proforma I	3,690,000	17,424,000
Arising from exercise of Warrants	(3,690,000)	(17,424,000)
As per Proforma II	-	-

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DVM TECHNOLOGY BERHAD
(Company No: 609953-K)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

2. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012 (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

2.6 BORROWINGS

The movements in the borrowings are as follows:-

	Minimum Scenario RM	Maximum Scenario RM
Current		
Term loans	4,366,189	4,366,189
Bank overdraft	2,075,782	2,075,782
As at 31 December 2012	6,441,971	6,441,971
Repayment of term loans	(1,500,000)	(4,366,189)
Repayment of bank overdraft	(400,000)	(2,075,782)
As per Proforma I/ Proforma II	4,541,971	-
Non-Current		
Between 1 to 2 years	1,679,010	1,679,010
Between 3 to 5 years	456,118	456,118
More than 5 years	563,951	563,951
As at 31 December 2012	2,699,079	2,699,079
Repayment of term loans	-	(1,358,029)
As per Proforma I/ Proforma II	2,699,079	1,341,050

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON

CERTIFIED TRUE COPY
SJ GRANT THORNTON

HOOI KOK MUN
PARTNER

DVM TECHNOLOGY BERHAD

(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2012

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DVM TECHNOLOGY BERHAD

(Incorporated in Malaysia)

CORPORATE INFORMATION

DIRECTORS	Gen (R) Tan Sri Abdul Rahman Bin Abdul Hamid (Independent Non-Executive Chairman) Dato' Goh Kian Seng (Executive Director) Roy Ho Yew Kee (Executive Director) Kamarudin Bin Ngah (Independent Non Executive Director) Yee Yit Yang (Independent Non Executive Director)
SECRETARY	Pang Kah Man
AUDITORS	SJ Grant Thornton (Member of Grant Thornton International Ltd.) Chartered Accountants Level 11, Sheraton Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur
REGISTERED OFFICE	3-2, 3rd Mile Square No 151, Jalan Kelang Lama Batu 3 1/2 58100 Kuala Lumpur
PRINCIPAL PLACE OF BUSINESS	Lot 11.3, 11th Floor, Menara Lien Hoe No. 8, Persiaran Tropicana Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan
BANKERS/FINANCIAL INSTITUTION	Malayan Banking Berhad CIMB Bank Berhad Ambank (M) Berhad Malaysia Debt Venture Berhad
STOCK EXCHANGE LISTING	ACE Market of Bursa Malaysia Securities Berhad

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DVM TECHNOLOGY BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and of its subsidiaries during the financial year other than as disclosed in Note 6 to the financial statements.

FINANCIAL RESULTS

	Group	Company
Net (loss)/profit for the financial year	(4,845,478)	134,860
Attributable to:		
Owners of the Company	(4,793,332)	134,860
Non-controlling interests	(52,146)	-
	(4,845,478)	134,860

RESERVES AND PROVISIONS

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

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of previous financial year.

DIRECTORS

The Directors who served in the Board of the Company since the date of the last report are:-

Gen (R) Tan Sri Abdul Rahman Bin Abdul Hamid
Dato' Goh Kian Seng
Roy Ho Yew Kee
Kamarudin Bin Ngah
Yee Yit Yang

DIRECTORS' INTEREST

According to the Register of Directors' Shareholdings, the beneficial interests of those who was Director at the end of the financial year in the shares of the Company and its related corporations were as follows:-

	Ordinary shares of RM0.10 each			
	At 1.1.2012	Bought	Sold	At 31.12.2012
Interest in the Company				
Dato' Goh Kian Seng				
Direct interest	7,202,000	-	-	7,202,000
Indirect interest	1,690,000	-	-	1,690,000

By virtue of Dato' Goh Kian Seng's direct interest in the shares of the Company, he is also deemed to have interest in the shares of all subsidiaries under Section 6A of the Companies Act, 1965 to the extent that the Company has an interest.

Other than as disclosure above, none of the other Directors in office at the end of the financial year had any interest in the shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than as disclosed in Note 22 and 25 to 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.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 17,600,000 ordinary shares of RM0.10 each for a total consideration of RM1,760,000 for working capital purposes.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares.

During the financial year, the Company has proposed to increase its issued and paid up share capital via rights issue exercise as disclosed in Note 32(b) to the financial statements.

There was no debentures issued by the Company during the financial year.

SHARE OPTIONS

At an Extraordinary General Meeting held on 25 June 2009, the Company's shareholders approved the establishment of an Employee Share Option Scheme ("ESOS") of not more than 30% of the issued and paid-up share capital of the Company.

The salient features and other terms of the ESOS are disclosed in the Note 27 to the financial statements.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

(a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that adequate provision had been made for doubtful debts and all known bad debts had been written off; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

(a) which would render the amounts write off for bad debts or the amount of the provision for doubtful debts 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 would 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 the financial statements which would render any amount stated in the financial statements misleading.

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

(a) any charge on the assets of the Group or 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 or of the Company which has arisen since the end of the financial year.

In the opinion of the Directors :

(a) no contingent liability 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 will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due;

(b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

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SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 32 to the financial statements.

AUDITORS

The Auditors, Messrs SJ Grant Thornton have expressed their willingness to continue in office.

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

....	)	
DATO' GOH KIAN SENG	)	
	)	DIRECTORS
....	)	
ROY HO YEW KEE	)	

Kuala Lumpur
30 April 2013

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DVM TECHNOLOGY BERHAD

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 18 to 68 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2012 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 34 on page 69 to the financial statements has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

....	....
DATO' GOH KIAN SENG	ROY HO YEW KEE

Kuala Lumpur
30 April 2013

STATUTORY DECLARATION

I, Khoo Poh Eng, being the officer primarily responsible for the financial management of DVM Technology Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 18 to 68 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
30 April 2013) ....

KHOO POH ENG

Before me:

PESURUHJAYA SUMPAH
W.490
S. ARULSAMY
MALAYSIA

Commissioner for Oaths

16 - Tingkat Bawah Jalan Pudu,
55100 Kuala Lumpur.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

DVM TECHNOLOGY BERHAD

(Incorporated in Malaysia)

SJ Grant Thornton (AF:0737)
Level 11 Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia

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F +603 2691 5229
www.gt.com.my

Report on the Financial Statements

We have audited the financial statements of DVM Technology Berhad which comprise the statements of financial position of the Group and of the Company as at 31 December 2012, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 18 to 68.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Report on the Financial Statements (cont'd)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2012 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2.1 to the financial statements which describes the uncertainty related to the future unsecured projects as well as the expiry of the main rental contract of the Group. This has led to the significant doubt on the going concern of the Group and likely impairment on the project-related assets of the Group as disclosed in Note 4 and 8 to the financial statements.

The Group has prepared its financial statements by applying the going concern assumption, notwithstanding the uncertainty that arose from the expiry of the main rental contract and future unsecured projects, thereby indicating the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern as well as the recoverability of project-related assets.

The ultimate outcome of the matter cannot presently be determined and, accordingly the financial statements of the Group and the Company do not include any adjustment relating to the amounts and classification of assets and liabilities that might be necessary.

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Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:-

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

c) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 34 on page 69 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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Other Matters

1. As stated in Note 2.5 to the financial statements, DVM Technology Berhad adopted Malaysian Financial Reporting Standards on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by Directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 December 2011 and related disclosures. We were not engaged to report on the Malaysian Financial Reporting Standards transition comparative information, and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the financial year then ended.

2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

SJ GRANT THORNTON
(NO. AF: 0737)
CHARTERED ACCOUNTANTS

SUNG FONG FUI
(NO: 2971/08/13(J))
CHARTERED ACCOUNTANT

Kuala Lumpur
30 April 2013

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DVM TECHNOLOGY BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

		Group			Company		
	Note	31.12.2012	31.12.2011	1.1.2011	31.12.2012	31.12.2011	1.1.2011
		RM	RM	RM	RM	RM	RM
ASSETS							
Non-current assets							
Property, plant and equipment	4	7,719,494	15,188,736	22,400,705	145,455	300,945	457,974
Investment property	5	8,000,000	7,600,000	7,300,000	8,000,000	7,600,000	7,300,000
Investment in subsidiaries	6	-	-	-	13,752,983	13,752,983	13,752,983
Investment in an associate	7	188,153	-	-	252,953	-	-
Development expenditure	8	1,261,718	2,113,157	2,761,855	-	-	-
Non-current assets		17,169,365	24,901,893	32,462,560	22,151,391	21,653,928	21,510,957
Current assets							
Inventories	9	-	-	9,505	-	-	-
Trade receivables	10	3,495,076	5,392,675	11,903,781	-	-	-
Other receivables	11	980,676	892,162	1,406,529	200,102	32,366	36,074
Amount due from subsidiaries	6	-	-	-	3,718,232	3,767,843	3,991,759
Tax recoverable		16,600	7,886	3,573	-	-	-
Fixed deposits with licensed banks	12	2,095,535	2,036,317	2,657,431	-	-	-
Cash and bank balances		2,776,570	335,773	1,213,137	1,208,880	1,786	34,976
Total current assets		9,364,457	8,664,813	17,193,956	5,127,214	3,801,995	4,062,809
Total assets		26,533,822	33,566,706	49,656,516	27,278,605	25,455,923	25,573,766
EQUITY AND LIABILITIES							
EQUITY							
Equity attributable to owners of the Parent							
Share capital	13	19,360,000	17,600,000	17,600,000	19,360,000	17,600,000	17,600,000
Share premium	14	10,716,665	10,716,665	10,716,665	10,716,665	10,716,665	10,716,665
Accumulated losses		(20,276,285)	(15,482,953)	(9,473,864)	(6,235,924)	(6,370,784)	(6,257,493)
		9,800,380	12,833,712	18,842,801	23,840,741	21,945,881	22,059,172
Non-controlling interests		(1,093,586)	(1,041,440)	-	-	-	-
Total equity		8,706,794	11,792,272	18,842,801	23,840,741	21,945,881	22,059,172

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DVM TECHNOLOGY BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012 (CONT'D)

		Group			Company		
	Note	31.12.2012	31.12.2011	1.1.2011	31.12.2012	31.12.2011	1.1.2011
		RM	RM	RM	RM	RM	RM
LIABILITIES							
Non-current liabilities							
Borrowings	15	2,699,079	6,426,421	11,162,532	1,152,543	1,286,141	1,394,355
Hire purchase payable	16	4,355	30,310	54,797	-	-	-
Deferred tax liabilities	17	1,675,983	1,084,983	816,983	991,983	891,983	816,983
Total non-current liabilities		4,379,417	7,541,714	12,034,312	2,144,526	2,178,124	2,211,338
Current liabilities							
Trade payables	18	1,154,665	2,135,846	5,289,115	-	-	-
Other payables	19	3,142,706	2,684,875	3,913,854	477,088	578,370	588,762
Amount due to a subsidiary	6	-	-	-	6,670	224,357	175,230
Amount due to a Director	20	2,639,000	1,259,000	504,000	250,000	-	-
Borrowings	15	6,441,971	8,045,325	8,825,737	516,636	506,464	436,150
Hire purchase payable	16	25,956	24,578	23,583	-	-	-
Tax payable		43,313	83,096	223,114	42,944	22,727	103,114
Total current liabilities		13,447,611	14,232,720	18,779,403	1,293,338	1,331,918	1,303,256
Total liabilities		17,827,028	21,774,434	30,813,715	3,437,864	3,510,042	3,514,594
Total equity and liabilities		26,533,822	33,566,706	49,656,516	27,278,605	25,455,923	25,573,766

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The accompanying notes form an integral part of the financial statements.

DVM TECHNOLOGY BERHAD

(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

		Group		Company	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
Revenue	21	9,060,175	29,143,637	420,000	420,000
Cost of sales		(5,106,364)	(22,014,771)	-	-
Gross profit		3,953,811	7,128,866	420,000	420,000
Other income		1,712,153	2,078,034	1,446,961	1,183,888
Administration expenses		(2,985,681)	(3,745,120)	(378,783)	(529,043)
Distribution expenses		(126,187)	(822,900)	(73,335)	(176,033)
Other expenses		(5,933,732)	(10,030,620)	(1,017,992)	(782,266)
Operating (loss)/profit		(3,379,636)	(5,391,740)	396,851	116,546
Finance costs		(819,374)	(1,359,147)	(107,191)	(123,195)
Share of results of an associate		(64,800)	-	-	-
(Loss)/Profit before tax	22	(4,263,810)	(6,750,887)	289,660	(6,649)
Tax expense	23	(581,668)	(299,642)	(154,800)	(106,642)
Net (loss)/profit/Total comprehensive (loss)/income for the financial year		(4,845,478)	(7,050,529)	134,860	(113,291)
Total comprehensive income attributable to:					
Owners of the Company		(4,793,332)	(6,009,089)		
Non-controlling interests		(52,146)	(1,041,440)		
		(4,845,478)	(7,050,529)		
Basic loss per share (sen)	24	(2.53)	(3.41)		

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DVM TECHNOLOGY BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012**

	← Attributable to the owners of the Company →					
	-------Non-distributable------					
	Share capital RM	Share Premium RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
Group						
Balance at 1 January 2011 As previously reported	17,600,000	10,716,665	(12,448,980)	15,867,685	-	15,867,685
Effect of changes in accounting policy on investment property	-	-	2,975,116	2,975,116	-	2,975,116
As restated	17,600,000	10,716,665	(9,473,864)	18,842,801	-	18,842,801
Total comprehensive loss for the financial year	-	-	(6,009,089)	(6,009,089)	(1,041,440)	(7,050,529)
Balance at 31 December 2011	17,600,000	10,716,665	(15,482,953)	12,833,712	(1,041,440)	11,792,272
Transaction with owners: - Issuance of shares	1,760,000	-	-	1,760,000	-	1,760,000
Total comprehensive loss for the financial year	-	-	(4,793,332)	(4,793,332)	(52,146)	(4,845,478)
Balance at 31 December 2012	19,360,000	10,716,665	(20,276,285)	9,800,380	(1,093,586)	8,706,794
Company						
Balance at 1 January 2011 As previously reported	17,600,000	10,716,665	(9,232,609)	19,084,056	-	19,084,056
Effect of changes in accounting policy on investment property	-	-	2,975,116	2,975,116	-	2,975,116
As restated	17,600,000	10,716,665	(6,257,493)	22,059,172	-	22,059,172
Total comprehensive loss for the financial year	-	-	(113,291)	(113,291)	-	(113,291)
Balance at 31 December 2011	17,600,000	10,716,665	(6,370,784)	21,945,881	-	21,945,881
Transaction with owners: - Issuance of shares	1,760,000	-	-	1,760,000	-	1,760,000
Total comprehensive income for the financial year	-	-	134,860	134,860	-	134,860
Balance at 31 December 2012	19,360,000	10,716,665	(6,235,924)	23,840,741	-	23,840,741

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DVM TECHNOLOGY BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL ENDED 31 DECEMBER 2012

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
OPERATING ACTIVITIES					
(Loss)/Profit before tax		(4,263,810)	(6,750,887)	289,660	(6,649)
Adjustments for:-					
Amortisation of development expenditure		851,439	1,050,080	-	-
Impairment loss on trade receivables		128,781	1,972,138	-	-
Bad debts written off		80,946	-	-	-
Depreciation of property, plant and equipment		7,311,124	7,348,612	155,490	157,029
Interest expense		819,373	1,359,148	107,191	123,195
Inventories written off		-	9,505	-	-
Property, plant and equipment written off		203,967	-	-	-
Gain on disposal of property, plant and equipment		-	(5,522)	-	-
Fair value gain on investment property		(400,000)	(300,000)	(400,000)	(300,000)
Interest income					
- current year		(40,024)	(65,691)	-	-
- overprovision in prior year		-	40,210	-	-
Unrealised (gain)/loss on foreign exchange		(113,242)	1,605	-	-
Reversal of impairment loss on trade receivables		(139,536)	-	-	-
Share of results of an associate		64,800	-	-	-
Operating profit/(loss) before working capital changes		4,503,818	4,659,198	152,341	(26,425)
Changes in working capital:-					
Receivables		1,600,898	5,018,809	(167,736)	3,708
Payables		(523,350)	(4,442,248)	(101,282)	(10,392)
Cash generated from/(used in) operations		5,581,366	5,235,759	(116,677)	(33,109)
Tax refund		1,418	1,656	-	-
Tax paid		(48,469)	(117,629)	(34,583)	(112,029)
Net cash from/(used in) operating activities		5,534,315	5,119,786	(151,260)	(145,138)

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DVM TECHNOLOGY BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL ENDED 31 DECEMBER 2012 (CONT'D)

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(45,849)	(209,943)	-	-
Proceeds from disposal of property, plant and equipment		-	78,822	-	-
(Placement)/Uplift of fixed deposits		(59,218)	580,904	-	-
Development expenditure incurred		-	(401,382)	-	-
Interest received		40,024	65,691	-	-
Acquisition of an associate		(252,953)	-	(252,953)	-
(Repayment from)/Advance to subsidiaries		-	-	(168,076)	273,043
Advance from a Director		1,380,000	755,000	250,000	-
Net cash (used in)/from investing activities		1,062,004	869,092	(171,029)	273,043
FINANCING ACTIVITIES					
(Repayment)/proceed of trust receipts		(994,160)	740,111	-	-
Repayment of term loans		(4,315,488)	(5,771,421)	(108,214)	(105,645)
Repayment of hire purchase payable		(24,577)	(23,492)	-	-
Proceed from issuance of shares		1,760,000	-	1,760,000	-
Interest paid		(560,249)	(1,326,227)	(107,191)	(123,195)
Net cash (used in)/from financing activities		(4,134,474)	(6,381,029)	1,544,595	(228,840)
CASH AND CASH EQUIVALENTS					
Net increase/(decrease)		2,461,845	(392,151)	1,222,306	(100,935)
At beginning of financial year		(1,761,057)	(1,368,906)	(396,464)	(295,529)
At end of financial year	A	700,788	(1,761,057)	825,842	(396,464)

NOTE TO THE STATEMENTS OF CASH FLOWS

A. CASH AND CASH EQUIVALENTS

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Cash and bank balances	2,776,570	335,773	1,208,880	1,786
Bank overdrafts	(2,075,782)	(2,096,830)	(383,038)	(398,250)
	700,788	(1,761,057)	825,842	(396,464)

The accompanying notes form an integral part of the financial statements.

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DVM TECHNOLOGY BERHAD
(Incorporated in Malaysia)

AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of the Bursa Malaysia Securities Berhad. The registered office is located at 3-2, 3rd Mile Square, No. 151, Jalan Kelang Lama, Batu 3 ½, 58100 Kuala Lumpur and the principal place of business of the Company is located at Lot 11.3, 11th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and of the subsidiaries during the financial year other than as disclosed in Note 6 to the financial statements.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed on 30 April 2013.

2. BASIS OF PREPARATION

2.1 Future Plan and Going Concern Assumption

The main rental contract which forms the Group's primary source of income expired on 31 December 2012 and the Group has no project secured subsequent to the reporting date.

The Ministry of Health has stated in its letter dated 3 January 2013 that there is no extension of this main rental contract period. However, the Group believes it has legal recourse to obtain certain unbillable revenue which form part of the contract revenue.

There is no major revenue contract secured as at to date. The Group is negotiating a few contracts which have not been concluded as the date of this report. The Group is confident of closing two projects in the next quarter which amounted to total contract revenue of RM183,520,000.

The Directors are also in the midst of implementing a fund raising scheme via rights issue proposals to improve the working capital of the Group as well as taking measures to turn around the Group with a view of achieving sustainable profitability going forward. The Company's rights issue proposals as disclosed in Note 32(b) had been approved by Bursa Malaysia Sercurities Berhad and its shareholders in an Extraordinary General Meeting on 25 February 2013 and 29 March 2013 respectively, and it is now at the implementation stage.

2. BASIS OF PREPARATION

2.1 Future Plan and Going Concern Assumption (cont'd)

The expiry of main rental contract and unsecured future projects indicated the existence of the material uncertainty which may cast significant doubts about the Group's ability to continue as a going concern. The financial statements of the Group have been prepared on a going concern basis as it is the intention of the Group to carry on with the existing business activities of the Group.

The ultimate outcome of the matter cannot presently be determined and, accordingly the financial statements of the Group and the Company do not include any adjustment relating to the amounts and classification of assets and liabilities that might be necessary.

2.2 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the Companies Act, 1965 in Malaysia.

2.3 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

2.4 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2.5 First-time Adoption of MFRSs

In the previous financial years, the financial statements of the Group and the Company were prepared in accordance with Financial Reporting Standards ("FRSs"). These are the Group and the Company's first financial statements prepared in accordance with MFRSs and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

The accounting policies set out in Note 3 have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2012, the comparative information presented in these financial statements for the financial year ended 31 December 2011 and in the preparation of the opening MFRS statement of financial position at 1 January 2011 (the Group's and the Company's date of transition to MFRSs).

The transition to MFRSs does not have financial impact to the comparative financial statements for the financial year ended 31 December 2011 and the opening statement of financial position as at 1 January 2011 of the Group and of the Company.

2. BASIS OF PREPARATION (CONT'D)

2.6 Standards Issued But Not Yet Effective

The Group and the Company have not applied the followings MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Company:-

Amendments to MFRS effective 1 July 2012

MFRS 101	-	Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income

MFRS effective 1 January 2013:

MFRS 10#	-	Consolidated Financial Statements
MFRS 11*#	-	Joint Arrangements
MFRS 12*#	-	Disclosure of Interests in Other Entities
MFRS 13	-	Fair Value Measurement
MFRS 119	-	Employee Benefits (International Accounting Standard ("IAS") 19 as amended by International Accounting Standards Board ("IASB") in June 2011)
MFRS 127#	-	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
MFRS 128	-	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
IC Interpretation 20 *#	-	Stripping Costs in the Production Phase of a Surface Mine

Amendments to MFRS effective 1 January 2013

MFRS 1*#	-	First-time Adoption of Malaysian Financial Reporting Standards – Government Loans
MFRS 7	-	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
MFRS 10, 11 and 12#	-	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance

Annual Improvements 2009 – 2011 Cycle issued in July 2012

Amendments to MFRSs effective 1 January 2014

MFRS 10, 12 and 127#	-	Consolidated Financial Statements, Disclosures of Interest in other Entities and Separate Financial Statements: Investment Entities
MFRS 132	-	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

MFRSs effective 1 January 2015

MFRS 7	Financial Instruments Disclosures - Mandatory Date of MFRS 9 and Transition Disclosures.
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)

2. BASIS OF PREPARATION (CONT'D)

2.6 Standards Issued But Not Yet Effective (Cont'd)

The Group and the Company have not applied the followings MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Company (cont'd):-

MFRSs effective 1 January 2015 (cont'd)

MFRS 9	-	Financial Instruments (IFRS 9 issued by IASB in October 2010)

* Not applicable to the Group's operations.
# Not applicable to the Company's operations.

The initial application of the above standards are not expected to have any financial impacts to the financial statements upon the first adoption, except for:

MFRS 9 Financial Instruments

MFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement. MFRS 9 requires financial assets to be classified into two measurement categories: fair value and amortised cost, determined at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. Most of the requirements for financial liabilities are retained, except for cases where the fair value option is taken, the part of a fair value change due to an entity's own risk is recorded in other comprehensive income rather than profit or loss, unless this creates an accounting mismatch.

The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting MFRS 9.

MFRS 13 Fair Value Measurement

MFRS 13 does not affect which items are required to be fair-valued, but clarifies the definition of fair value and provides related guidance and enhance disclosures about fair value measurements. It replaces the existing fair value guidance in different MFRSs.

The adoption of MFRS 13 will result in a change in accounting policy for the items measured at fair value in the financial statements. The Group is currently examining the financial impact of adopting MFRS 13.

2.7 Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2. BASIS OF PREPARATION (CONT'D)

2.7 Significant Accounting Estimates and Judgements

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:-

2.7.1 Estimation Uncertainty

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis and on a reducing balance basis over their estimated useful life. Management estimated the useful life of these assets to be within 5 years. Changes in the expected level of usage and technological developments could impact the economic useful life and the residual values of these assets, therefore future depreciation charges could be revised.

The management does not expect any material difference that would arise on the estimation of useful lives of depreciable assets and the current evaluation of the useful lives of depreciable assets represents a fair estimation of the useful lives of the Group's depreciable assets.

The carrying amount of the property, plant and equipment at the end of the reporting period is disclosed in Note 4 to the financial statements.

A 5% difference in the expected useful lives of the property, plant and equipment from the management' estimates would result in approximately 19% (2011 : 11%) and 5% (2011 : 239%) variance in the Group and the Company's (loss)/profit for the financial year respectively.

Impairment of non-financial Assets

The carrying amount of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exist, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belong to.

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

The carrying amount of the Group's property, plant and equipments and development expenditure are disclosed in Note 4 and 8 to the financial statements. A 5% (2011:5%) difference in the carrying amounts on property, plant and equipments and development expenditure from the management estimates would result in approximately 9% (2011:12%) variance in the Group's loss for the financial year.

2. BASIS OF PREPARATION (CONT'D)

2.7 Significant Accounting Estimates and Judgements (Cont'd)

2.7.1 Estimation Uncertainty (Cont'd)

Impairment of non-financial Assets

As at reporting date, there is no impairment of non-financial assets except for impairment loss on investment in subsidiaries which has been provided as disclosed in Note 6 to the financial statements; and the uncertainty on the recoverable amount of the project-related assets as disclosed in Note 4 and 8 to the financial statements.

Impairment of financial assets

Allowance for impairment is determined using a combination of factors, including the overall quality and aging of receivables, continuing credit evaluation of the customers' financial strength and collateral requirements from customers in certain circumstances. The Directors make allowance for impairment based on its best estimates at the reporting date.

As at the reporting date, there is no impairment of financial assets except for impairment on trade receivables which has been provided as disclosed in Note 10 to the financial statements.

A 5% (2011:5%) difference in the impairment loss on trade receivables from management estimate would result in approximately 4% (2011:4%) variance in the Group's loss for the financial year.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company applies the significant accounting policies, as summarised below, consistently throughout all periods presented in the financial statements and in preparing their opening MFRS statements of financial position at 1 January 2011 (the transition date to MFRS framework), unless otherwise stated.

3.1 Consolidation

3.1.1 Subsidiaries

A subsidiary is a company in which the Group or the Company has the power to exercise control over the financial and operating policies so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investment in subsidiaries is stated at cost less any impairment losses in the Company's financial position, unless the investment is held for sale or distribution.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (Cont'd)

3.1.2 Basis of Consolidation

The Group financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting period.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

3.1.3 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

Goodwill in initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (Cont'd)

3.1.3 Business Combination and Goodwill (Cont'd)

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3.1.4 Loss of Control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3.1.5 Non-Controlling Interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if that results in a deficit balance.

3.1.6 Associates

Associates are entities in which the Group has significant influence, but no control, over their financial and operating policies.

The Group's investments in associates are accounted for using the equity method. Under the equity method, investment in an associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The share of the result of an associate is reflected in profit or loss. This is the profit attributable to equity holders of the associate and therefore is the profit after tax and non-controlling interests in the subsidiaries of the associate. When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (Cont'd)

3.1.6 Associates (cont'd)

Where there has been a change recognised directly in the equity of an associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associates are prepared as of the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies of the associates in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates. The Group determines at end of each reporting period whether there is any objective evidence that the investments in associate are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and their carrying value and recognise the amount in the "share of profit of associates" in profit or loss.

Upon loss of significant influence over an associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

3.2 Property, Plant and Equipment

Property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All property, plant and equipment are subsequently stated at cost less accumulated depreciation and less any impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such costs as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised on the straight line basis in order to write off the cost of each asset to its residual value over the estimated useful life.

The principal annual depreciation rates used are as follows:-

Computer software and equipment	20%
Furniture, fittings, office equipment and renovation	20%
Motor vehicles	20%

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Property, Plant and Equipment (cont'd)

Capital work-in-progress refers to assets under construction and are not depreciated until it is completed and ready for commercial utilisation.

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

3.3 Investment Property

Investment property is property which is owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is initially measured at cost, including transaction cost. Subsequent to initial recognition, investment property is measured at fair value and is revalued annually and is included in the statement of financial position at their open market values. These are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property and supported by market evidence. Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss within change in fair value of investment property.

Investment property is derecognised when either they are disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the financial year of retirement or disposal.

Prior to 1 January 2012, investment property is stated at cost less amortisation. During the financial year, the Group and the Company changed its accounting policy for investment property to be stated at fair value. This change in accounting policy has been accounted for retrospectively and the effect of this change is disclosed in Note 33 to the financial statements.

3.4 Development Expenditure

Expenditure on development is charged to profit or loss in the year in which it incurred except where a clearly defined project is undertaken and it is reasonably anticipated that development costs will be recovered 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 reviewed at least at each reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Lease

3.5.1 Finance Lease

The cost of property, plant and equipment acquired under finance lease arrangements which transferred substantially all the risks and rewards of ownership to the Group are capitalised. The depreciation policy on these property, plant and equipment is similar to that of the Group's property, plant and equipment depreciation policy.

Outstanding obligations due under finance lease arrangements after deducting finance expenses are included as liabilities in the financial statements. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as expenses in profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

3.5.2 Operating Lease

Leases where substantially all the risks and rewards of ownership of assets remained with the leasing company are accounted for as operating leases except for property interest held under operating lease. Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the relevant lease terms. Property helds under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

3.6 Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of three years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the third year.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Impairment of Non-Financial Assets (Cont'd)

Impairment losses of continuing operations, including impairment on inventories, are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

3.7 Impairment of Financial Assets

The Group and the Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company considered factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments.

Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced through the use of a provision account. When a trade receivable becomes uncollectible, it is written off against the provision account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Foreign Currency Translation

3.8.1 Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted to Malaysian Ringgit using the rates of exchange ruling on the transaction date and where settlement had not taken place as at reporting date, at the rates ruling as at that date. Differences in exchange rates are dealt with in profit or loss.

3.8.2 Foreign Operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their profit or loss and other comprehensive income are translated at average rate over the reporting period. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.

3.9 Financial Instruments

3.9.1 Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and financial liabilities are measured subsequently as described below:-

3.9.2 Financial Assets-Categorisation and Subsequent Measurement

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

(a) financial assets at fair value through profit or loss;
(b) held-to-maturity investments;
(c) loans and receivables; and
(d) available-for-sale financial assets.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each end of the reporting period.

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial Instruments (Cont'd)

3.9.2 Financial Assets-Categorisation and Subsequent Measurement (cont'd)

At the reporting date, the Company has not designed any financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets. The Company carries only loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process. The Group's and the Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non- current.

3.9.3 Financial Liabilities-Categorisation and Subsequent Measurement

After the initial recognition, financial liability is classified as:

(a) financial liability at fair value through profit or loss;
(b) other financial liabilities measure at amortised cost using the effective interest method; and
(c) financial guarantee contracts.

A financial liability is derecognised when the obligation under the liability is extinguished, discharged, cancelled or expired, or through amortisation process. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

At the reporting date, the Group and the Company have not designated any financial liabilities at fair value through profit or loss and other financial guarantee contract. The Group and the Company carries only other financial liabilities and financial guarantee contracts.

(i) Other financial liabilities measured at amortised cost

The Group's and the Company's financial liabilities include trade and other payables and borrowings.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial instruments (Cont'd)

3.9.3 Financial Liabilities-Categorisation and Subsequent Measurement (Cont'd)

(ii) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specific debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

3.9.4 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.10 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, bank balances, short-term demand deposits, bank overdraft and highly liquid investments which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown in current liabilities in the statements of financial position.

For the purpose of financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the end of the reporting period are classified as non-current asset.

3.11 Income Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

3.11.1 Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Current tax is recognised in the statement of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Income Tax (cont'd)

3.11.2 Deferred Tax

Deferred tax liabilities and assets are provided for under the liability method in respect of all temporary differences at the statements of financial position date between the carrying amount of an asset or liability in the statement of financial position and its tax base including unabsorbed tax losses and unutilised capital allowances.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax assets to be utilised, the carrying amount of the deferred tax assets will be reduced accordingly.

When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

Deferred tax is recognised in profit or loss, 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.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

3.12 Interest-Bearing Borrowings

Interest-bearing borrowings are recorded at the amount of proceeds received net of transaction costs.

All borrowing costs are recognised as expenses on profit or loss in the year in which they are incurred.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of liability for at least 12 months after the reporting date.

3.13 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on weighted average basis. The cost of inventories shall comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 **Employee Benefits**

3.14.1 **Short-Term Benefits**

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year, in which the associated services are rendered by the employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occurred.

3.14.2 **Defined Contribution Plan**

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recognised as expenses in profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employee Provident Fund ("EPF").

3.14.3 **Employee Share Options Schemes**

Employee of the Group received remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the option at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserves over the vesting period. The cumulative expenses recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the subsidiaries' best estimate of the number of options that will ultimately vest. The change or credit to profit or loss for a period represent the movement in cumulative expenses recognised at the beginning and end of the period.

No expenses is recognised for options that do not ultimately vest, expect for options where vesting is conditional upon market or non-vesting condition, which are tested as vested irrespective of whether or not the market or non-vesting conditions is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to accumulated losses upon expiry of the share options.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the option are exercised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Equity, Reserve and Distribution To Owners

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Share capital represents the nominal value of shares that have been issued.

Share premium includes any premium received on issue.

Accumulated losses include all current and prior period losses.

The distribution of non-cash assets to owners is recognised as dividend payable when the dividend was approved by shareholders. The dividend payable is measured at the fair value of the shares to be distributed. At the end of the financial year and on the settlement date, the Group reviews the carrying amount of the dividend payable, with any changes in the fair value of the dividend payable recognised in equity.

When the Group settles the dividend payable, the difference between the carrying amount of the dividend distributed and the carrying amount of the dividend payable is recognised as a separate line item in profit or loss.

All transactions with owners of the Company are recorded separately within equity.

3.16 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

3.16.1 Sale of Goods and Rendering of Services

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.

3.16.2 Rental and Maintenance Fees

Revenue from rental and maintenance fees is recognised in profit or loss on a timely basis, by reference to the agreement entered, and when the services are rendered.

3.16.3 Interest Income

Interest income is recognised on accrual basis.

3.16.4 Management fee

Management fee is recognised when services are rendered.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Deferred Income

Invoice billed but not yet recognised as revenue are considered as unearned income and are taken up as deferred income.

3.18 Operating Segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.19 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3.20 Related Parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:

  (i) has control or joint control over the Group;
  (ii) has significant influence over the Group; or
  (iii) is a member of the key management personnel of the ultimate holding company of the Group, or the Group.

(b) An entity is related to the Group if any of the following conditions applies:

  (i) The entity and the Group are members of the same group.
  (ii) One entity is an associate or joint venture of the other entity.
  (iii) Both entities are joint ventures of the same third party.
  (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
  (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
  (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the ultimate holding company or the entity.

4. PROPERTY, PLANT AND EQUIPMENT

Group Cost	Computer software and equipment RM	Furniture, fittings, office equipment and renovation RM	Capital work-in-progress RM	Motor vehicle RM	Total RM
Balance as at 1 January 2011	37,163,231	1,625,636	3,019,524	132,000	41,940,391
Additions	20,618	200	189,125	-	209,943
Disposals	(124,469)	-	-	-	(124,469)
Balance as at 31 December 2011	37,059,380	1,625,836	3,208,649	132,000	42,025,865
Additions	45,849	-	-	-	45,849
Written off	-	-	(203,967)	-	(203,967)
Transfer	3,004,682	-	(3,004,682)	-	-
Balance as at 31 December 2012	40,109,911	1,625,836	-	132,000	41,867,747
Accumulated depreciation					
Balance as at 1 January 2011	18,340,945	1,150,341	-	48,400	19,539,686
Charge for the financial year	7,152,002	170,210	-	26,400	7,348,612
Disposals	(51,169)	-	-	-	(51,169)
Balance as at 31 December 2011	25,441,778	1,320,551	-	74,800	26,837,129
Charge for the financial year	7,116,871	167,853	-	26,400	7,311,124
Balance as at 31 December 2012	32,558,649	1,488,404	-	101,200	34,148,253
Net carrying amount					
31 December 2012	7,551,262	137,432	-	30,800	7,719,494
31 December 2011	11,617,602	305,285	3,208,649	57,200	15,188,736
1 January 2011	18,822,286	475,295	3,019,524	83,600	22,400,705

The motor vehicle was acquired under finance lease arrangement.

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Computer software and equipment	Furniture, fittings, office equipment and renovation	Total
Cost	**RM**	**RM**	**RM**
Balance as at 1 January 2011/ 31 December 2011/ 31 December 2012	152,330	1,404,485	1,556,815
Accumulated depreciation			
Balance as at 1 January 2011	77,159	1,021,682	1,098,841
Charge for the financial year	22,742	134,287	157,029
Balance as at 31 December 2011	99,901	1,155,969	1,255,870
Charge for the financial year	22,509	132,981	155,490
Balance as at 31 December 2012	122,410	1,288,950	1,411,360
Net carrying amount			
31 December 2012	29,920	115,535	145,455
31 December 2011	52,429	248,516	300,945
1 January 2011	75,171	382,803	457,974

Property, plant and equipment with carrying amount of RM6,943,110 are related to the main rental contract. As mentioned in Note 2.1 to the financial statements, this rental contract had expired as at the reporting date. There are also no projects secured subsequent to the reporting period.

In view of the expiry of the main rental contract and uncertainty of the future contracts, the Group is uncertain whether the project-related assets can generate future economic benefit from their use. Impairment loss could be recognised if the project-related assets are not usable or used in future projects.

5. INVESTMENT PROPERTY

	Group and Company	
	2012	2011
	RM	RM
Leasehold office building at fair value		
At beginning of financial year	7,600,000	7,300,000
Fair value gain	400,000	300,000
At end of financial year	8,000,000	7,600,000

5. INVESTMENT PROPERTY (CONT'D)

	Group and Company	
	2012	2011
	RM	RM
Rental income generated from investment property	786,500	726,000
Direct operating expenses for investment property	2,726	7,976

The strata title of the leasehold office building has yet to be issued by the authority.

Prior to 1 January 2012, investment property is stated at cost less accumulated amortisation. During the financial year, the Company changed its accounting policy for investment property to be stated at fair value. This change in accounting policy has been accounted for retrospectively and the effects of this change are disclosed in Note 33 to the financial statements.

The fair value of investment property of the Group and the Company, which comprises leasehold office building was determined by independent professional valuer and on recorded transaction values used for similar properties in the location concerned based on current prices in the active market for similar properties.

The investment property of the Group and of the Company was charged to a licensed bank as security for credit facilities granted to the Company and a subsidiary.

6. SUBSIDIARIES

(a) Investment in subsidiaries

	Company		
	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
Unquoted shares, at cost	20,609,983	20,609,983	20,609,983
Less: Accumulated impairment			
At beginning/end of financial year	(6,857,000)	(6,857,000)	(6,857,000)
	13,752,983	13,752,983	13,752,983

Details of the subsidiaries are as follows:-

Name of company	Effective equity interest 31.12.2012 %	31.12.2011 %	1.1.2011 %	Place of incorporation	Principal activities
Direct subsidiaries					
DVM Innovate Sdn. Bhd.	100	100	100	Malaysia	Provision of communications systems integration and solutions, data network, data communications solutions, business and operational support systems.

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6. SUBSIDIARIES (CONT'D)

(a) Investment in subsidiaries (cont'd)

Details of the subsidiaries are as follows:-

Name of company	Effective equity interest 31.12.2012 %	31.12.2011 %	1.1.2011 %	Place of incorporation	Principal activities
Direct subsidiaries					
NGC Systems Sdn. Bhd	100	100	100	Malaysia	Development of software applications and provision of communication solutions. However, the company ceased its business operations during the financial year.
Key Alliance Sdn. Bhd.	100	100	100	Malaysia	Dormant.
DVM Communications Sdn. Bhd.	100	100	100	Malaysia	Dormant.
MobileVideo International Limited	60	60	60	Cayman Island	Provider of 3G broadband video mobile services and related software applications and accessories. However, the company has temporary ceased its business operations during the financial year.
Indirect subsidiary, held through DVM Innovate Sdn. Bhd.					
DVM IntelliSource Sdn. Bhd.	100	100	100	Malaysia	Provision of business and operational support systems and services, software development and business process outsourcing.

(b) Amount due from / to subsidiaries

	Company 31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Amount due from subsidiaries	3,839,662	3,889,273	4,113,189
Less: Allowance for impairment At beginning/end of financial year	(121,430)	(121,430)	(121,430)
	3,718,232	3,767,843	3,991,759

The amount due from/to subsidiaries is non-trade in nature, unsecured, bears no interest and repayable on demand.

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7. INVESTMENT IN AN ASSOCIATE

	Company		
	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
Unquoted share, at cost	252,953	-	-

	Group		
	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
Unquoted shares, at cost	252,953	-	-
Share of post-acquisition losses	(64,800)	-	-
	188,153	-	-
Represented by:			
Share of net assets	188,153	-	-

Name of company	Effective equity interest 31.12.2012 %	31.12.2011 %	1.1.2011 %	Place of incorporation	Principal activities
Fatfish Capital Ltd.	50%	-	-	British Virgin Island	Investment holding company

The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Company, is as follows :

	31.12.2012
	RM
Total assets	344,296
Total liabilities	45,054
Revenue	35,423
Net loss for the financial period	(202,020)

8. DEVELOPMENT EXPENDITURE

	Group	
	2012	2011
	RM	RM
Cost		
At beginning of financial year	5,374,787	4,973,405
Additions	-	401,382
At end of financial year	5,374,787	5,374,787
Accumulated Amortisation		
At beginning of financial year	3,261,630	2,211,550
Current amortisation	851,439	1,050,080
At end of financial year	4,113,069	3,261,630
Net Carrying Amount	1,261,718	2,113,157

8. DEVELOPMENT EXPENDITURE (CONT'D)

Included in the development expenditure are the following charges (cont'd):

	2012 RM	2011 RM
Staff costs	-	401,382

Staff costs include salaries, contributions to Employees Provident Fund ("EPF") and other staff related expenses. Contributions to EPF during the financial year amounted to RM Nil (2011: RM105,953).

The entire development expenditure related to the main rental contract. As mentioned in Note 2.1 to the financial statements. This rental contract had expired on 31 December 2012. There are also no projects secured subsequent to the reporting period.

In view of the expiry of the main rental contract and uncertainty of the future contracts, the Group is uncertain whether the project-related assets can generate future economic benefit from their use. Impairment loss could be recognised if the project-related assets are not usable or used in future projects.

9. INVENTORIES

	Group		
	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Trading merchandise:			
At carrying amount	-	-	9,505

10. TRADE RECEIVABLES

	Group		
	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Trade receivables	5,421,223	7,500,324	12,039,292
Less: Allowance for impairment	(1,926,147)	(2,107,649)	(135,511)
	3,495,076	5,392,675	11,903,781

The movement for impairment of trade receivables is as follow:

	Group	
	2012 RM	2011 RM
At beginning of financial year	(2,107,649)	(135,511)
Impairment loss recognised	(128,781)	(1,972,138)
Reversal on recovered amounts	139,536	-
Unrealised gain on foreign exchange	170,747	-
At end of financial year	(1,926,147)	(2,107,649)

10. TRADE RECEIVABLES (CONT'D)

The currency profile of trade receivables is as follows:-

	Group		
	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
Ringgit Malaysia	3,648,357	4,798,654	9,694,636
United States Dollar	1,772,866	2,701,670	2,222,043
Euro Dollar	-	-	93,667
Singapore Dollar	-	-	28,946
	5,421,223	7,500,324	12,039,292

The trade receivables comprise amounts receivable from sale of goods and services rendered. The credit period granted ranges from 14 to 30 (31.12.2011 and 1.1.2011: 14 to 60) days.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables are as follows:-

Group

31.12.2012	Gross RM	Individually impaired RM	Net RM
Not past due	728,500	-	728,500
Past due 1 to 30 days	627,122	-	627,122
Past due 1 to 60 days	153,500	-	153,500
More than 61 days	3,912,101	(1,926,147)	1,985,954
	5,421,223	(1,926,147)	3,495,076

31.12.2011	Gross RM	Individually impaired RM	Net RM
Not past due	958,579	-	958,579
Past due 1 to 30 days	1,331,990	-	1,331,990
Past due 31 to 60 days	545,980	-	545,980
More than 61 days	4,663,775	(2,107,649)	2,556,126
	7,500,324	(2,107,649)	5,392,675

1.1.2011	Gross RM	Individually impaired RM	Net RM
Not past due	1,738,684	-	1,738,684
Past due 1 to 30 days	762,261	-	762,261
Past due 31 to 60 days	2,985,697	-	2,985,697
More than 61 days	6,552,650	(135,511)	6,417,139
	12,039,292	(135,511)	11,903,781

10. TRADE RECEIVABLES (CONT'D)

The Group has trade receivables amounting to RM2,766,576 (31.12.2011: RM4,434,096, 1.1.2011: RM10,165,097) that are past due but not impaired at the reporting date. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

11. OTHER RECEIVABLES

		Group	
	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
Non-trade receivables	199,891	66,075	35,468
Deposits	138,574	120,078	115,078
Prepayments	436,683	241,357	665,781
Prepayments – term loan interest	205,528	464,652	590,202
	980,676	892,162	1,406,529

		Company	
	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
Non-trade receivables	-	-	3,149
Deposits	31,430	31,430	31,430
Prepayments	168,672	936	1,495
	200,102	32,366	36,074

12. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits of the Group are pledged to licensed banks as security for banking facilities granted to the subsidiaries.

The average effective interest rates of the fixed deposits range from 1.90% to 3.10% (31.12.2011 and 1.1.2011: 1.90% to 3.10%) per annum.

13. SHARE CAPITAL

Group and Company

	Units	RM
Authorised:		
Ordinary shares of RM0.10 each		
At 1 January 2011 / 31 December 2011/ 31 December 2012	500,000,000	50,000,000
Issued and fully paid:		
Ordinary shares of RM0.10 each		
At 1 January 2011/31 December 2011	176,000,000	17,600,000
Issued during the financial year	17,600,000	1,760,000
At 31 December 2012	193,600,000	19,360,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

14. SHARE PREMIUM

Group and Company

Share premium arose from the issuance of ordinary shares at a premium net of share issue expenses.

15. BORROWINGS

	Group		
	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
Secured:-			
Non-current			
Term loans	2,699,079	6,426,421	11,162,532
Secured:-			
Current			
Term loans	4,366,189	4,954,335	6,009,645
Bank overdrafts	2,075,782	2,096,830	2,582,043
Trust receipts	-	994,160	234,049
	6,441,971	8,045,325	8,825,737
Total	9,141,050	14,471,746	19,988,269

15. BORROWINGS (CONT'D)

	Company		
	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
Secured:-			
Non-current			
Term loan	1,152,543	1,286,141	1,394,355
Secured:-			
Current			
Term loan	133,598	108,214	105,645
Bank overdrafts	383,038	398,250	330,505
	516,636	506,464	436,150
Total	1,669,179	1,792,605	1,830,505

The term loans are repayable as follows:-

	Group		
	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
Not later than 1 year	4,366,189	4,954,335	6,009,645
Later than 1 year but not later than 2 years	1,679,623	3,721,014	5,012,214
Later than 2 years but not later than 5 years	458,232	1,980,842	5,264,059
Later than 5 years	561,224	724,565	886,259
	7,065,268	11,380,756	17,172,177

The term loan is repayable as follows:-

	Company		
	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
Not later than 1 year	133,598	108,214	105,645
Later than 1 year but not later than 2 years	133,087	133,598	108,214
Later than 2 years but not later than 5 years	458,232	427,978	399,882
Later than 5 years	561,224	724,565	886,259
	1,286,141	1,394,355	1,500,000

The interest rates per annum of the borrowings are as follows:-

	Group		
	31.12.2012	31.12.2011	1.1.2011
	%	%	%
Term loans	6.85% to 7.00	6.85% to 7.00	6.85% to 7.00
Bank overdrafts	7.60	7.30% to 7.60	6.80% to 7.20
Trust receipts	7.30% to 8.10	7.30% to 8.10	7.20% to 8.05

15. BORROWINGS (CONT'D)

The interest rates per annum of the borrowings are as follows (cont'd):-

		Company	
	31.12.2012	31.12.2011	1.1.2011
	%	%	%
Term loan	6.85% to 7.00	6.55% to 8.10	6.85% to 8.05
Bank overdrafts	7.60	7.30% to 7.60	6.80% to 7.20

The borrowings are secured by the following:-

(a) First party legal charges over the leasehold office building of the Company and assignment of rental proceeds from the building;

(b) Debenture incorporating fixed and floating charge over all present and future assets and undertakings of the subsidiaries;

(c) A Deed of assignment over the rights, title and interest of Sales and Purchase Agreement with respect to the leasehold office building of the Company;

(d) Corporate Guarantee from the Company;

(e) A Deed of Assignment between a subsidiary company and Malaysia Debt Venture Berhad of all contract proceeds to be received from Ministry of Health;

(f) Any other securities that Malaysia Debt Venture Berhad may from time to time at its absolute discretion required from a subsidiary company; and

(g) Pledged of fixed deposits.

16. HIRE PURCHASE PAYABLE

		Group	
	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
Minimum lease payment			
Payable within 1 year	26,520	26,520	25,440
Payable after 1 year but not later than 5 years	4,400	30,920	58,520
	30,920	57,440	83,960
Less: Interest in suspense	(609)	(2,552)	(5,580)
	30,311	54,888	78,380
Present value			
- within 1 year	25,956	24,578	23,583
- after 1 year but not later than 5 years	4,355	30,310	54,797
	30,311	54,888	78,380

Interest is charged at rate of 2.43% (31.12.2011 and 1.1.2011 : 2.43%) per annum.

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17. DEFFERED TAX LIABILITIES

	Group 2012 RM	Group 2011 RM
At beginning of financial year	1,084,983	816,983
Transferred from profit or loss	591,000	268,000
At end of financial year	1,675,983	1,084,983

	Company 2012 RM	Company 2011 RM
At beginning of financial year	891,983	816,983
Transferred from profit or loss	100,000	75,000
At end of financial year	991,983	891,983

The balance of deferred tax liabilities/(assets) made up of tax effects on temporary differences arising from:-

	Group 31.12.2012 RM	Group 31.12.2011 RM	Group 1.1.2011 RM
Carrying amount of property, plant and equipment in excess of tax base	988,000	1,991,000	-
Unabsorbed business losses	(232,000)	(710,000)	-
Unutilised capital allowance	-	(963,000)	-
Impairment loss on receivables	(72,000)	(125,000)	-
Fair value gain on investment property	991,983	891,983	816,983
	1,675,983	1,084,983	816,983

The deferred tax liability of the Company is in respect of fair value gain on the revaluation of investment property.

Deferred tax liabilities/(assets) have not been recognised in respect of the following items:-

	Group 31.12.2012 RM	Group 31.12.2011 RM	Group 1.1.2011 RM
Carrying amount of property, plant and equipment in excess of tax base	479,000	3,510,000	19,776,000
Unabsorbed business losses	(9,959,000)	(8,887,000)	(13,060,000)
Unutilised capital allowance	(5,471,000)	(5,423,000)	(14,224,000)
Development expenditure	1,262,000	2,113,000	2,762,000
	(13,689,000)	(8,687,000)	(4,746,000)

The potential deferred tax assets of the Group have not been recognised in respect of these items as it is not probable that sufficient taxable profits will be available against which the Group can utilise these benefits.

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18. TRADE PAYABLES

The currency profile of trade payables is as follows:-

	Group 31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Ringgit Malaysia	1,154,665	1,664,772	5,157,249
United States Dollar	-	448,660	131,866
Euro Dollar	-	22,289	-
Singapore Dollar	-	125	-
	1,154,665	2,135,846	5,289,115

The normal credit term granted by trade payables ranging from 30 to 60 (31.12.2011 and 1.1.2011: 30 to 60) days.

19. OTHER PAYABLES

	Group 31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Non-trade payables	1,893,641	254,481	480,552
Deferred income	500,900	1,376,370	2,531,900
Accruals	540,067	776,560	623,938
Deposits	208,098	277,464	277,464
	3,142,706	2,684,875	3,913,854

	Company 31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Non-trade payables	80,092	64,950	50,586
Accruals	188,898	235,956	260,712
Deposits	208,098	277,464	277,464
	477,088	578,370	588,762

20. AMOUNT DUE TO A DIRECTOR

Amount due to a Director is non-trade in nature, unsecured, interest free and repayable on demand.

21. REVENUE

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Sales of computer hardware and software	227,299	14,080,015	-	-
Maintenance fee	8,832,876	15,063,622	-	-
Management fee	-	-	420,000	420,000
	9,060,175	29,143,637	420,000	420,000

22. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax has been determined after charging/(crediting), amongst other items, the followings:-

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Auditors' remuneration				
- statutory audit	56,800	53,400	15,000	12,000
- others	52,000	2,000	2,000	2,000
Amortisation of development expenditure	851,439	1,050,080	-	-
Bad debts written off	80,946	-	-	-
Depreciation of property, plant and equipment	7,311,124	7,348,612	155,490	157,029
Directors' fee	218,000	96,000	218,000	96,000
Directors' emoluments	107,250	107,250	107,250	107,250
Impairment loss on trade receivables	128,781	1,972,138	-	-
Inventories written off	-	9,505	-	-
Interest expenses				
- Interest on hire purchase	1,943	3,028	-	-
- Interest on bank overdrafts	141,980	155,077	15,546	25,723
- Interest on bankers acceptance	-	570	-	-
- Interest on term loans	649,858	1,117,992	91,645	97,472
- Interest on trust receipts	25,592	82,481	-	-
Property, plant and equipment written off	203,967	-	-	-
Rental of equipment	123,261	66,456	1,650	990
Rental of office	287,110	183,570	287,110	183,570
Realised loss on foreign exchange	9,817	3,803	-	-
Unrealised (gain)/loss on foreign exchange	(113,242)	1,605	-	-
Gain on disposal of property, plant and equipment	-	(5,522)	-	-
Interest income on fixed deposits				
- current year	(40,024)	(65,691)	-	-
- overprovision in prior year	-	40,201	-	-

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22. (LOSS)/PROFIT BEFORE TAX (CONT'D)

(Loss)/Profit before tax has been determined after charging/(crediting), amongst other items, the followings (cont'd):-

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Reversal of impairment on trade receivables	(139,536)	-	-	-
Rental income receivable from third party	(786,500)	(726,000)	(786,500)	(726,000)
Rental income receivable from subsidiaries	-	-	(256,956)	(157,872)
Fair value gain on investment property	(400,000)	(300,000)	(400,000)	(300,000)

23. TAX EXPENSE

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Current tax	54,800	23,000	54,800	23,000
Transfered to deferred tax	584,000	268,000	100,000	75,000
(Over)/Under provision in prior years				
- current tax	(64,132)	8,642	-	8,642
- deferred tax	7,000	-	-	-
	581,668	299,642	154,800	106,642

The Group's unabsorbed business losses and unutilised capital allowance which can be carried forward to offset against future taxable profit are estimated to be RM10,887,000 (31.12.2011: RM11,727,000, 1.1.2011: RM13,060,000) and RM5,471,000 (31.12.2011: RM9,275,000, 1.1.2011: RM14,224,000) respectively.

However, the above amounts are subject to the approval of the Inland Revenue Board of Malaysia.

One of the subsidiary companies, NGC Systems Sdn. Bhd. ("NGC"), has been accorded Multimedia Super Corridor Status and was granted Pioneer Status effective from 1 September 2003, which exempts 100% of the statutory business income from taxation for a period up to 10 years. The MSC status will expire on 31 August 2013.

A reconciliation of income tax expense applicable to (loss)/profit 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:

23. TAX EXPENSE (CONT'D)

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
(Loss)/Profit before tax	(4,263,810)	(6,750,887)	289,660	(6,649)
Tax at statutory tax rate of 25%	(1,065,953)	(1,687,722)	72,415	(1,662)
Tax effects of:				
Expenses not deductible for tax purposes	454,253	993,722	82,385	99,662
Deferred tax assets not recognised	1,250,500	985,000	-	-
(Over)/Under provision in prior years	(57,132)	8,642	-	8,642
	581,668	299,642	154,800	106,642

24. LOSS PER SHARE

Basic loss per ordinary share

Basic loss per ordinary share has been calculated based on the loss for the financial year attributable to ordinary equity holders of the Company divided by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2012	2011
	RM	RM
Loss attributable to equity holders of the Company	(4,793,332)	(6,009,089)
Weighted average number of ordinary shares in issue		
At beginning of financial year	176,000,000	176,000,000
Effect of ordinary shares issued during the financial year	13,115,616	-
At end of financial year	189,115,616	176,000,000
Basic loss per share (sen)	(2.53)	(3.41)

The comparative basic loss per share have been restated to take into account the effect of the changes in the accounting policy on loss for the financial year as disclosed in Note 33 to financial statements.

Diluted

No diluted loss per share is calculated for the Group as there are no potential dilutive ordinary shares.

25. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Directors' fee	218,000	96,000	218,000	96,000
Salaries, wages and other emoluments	4,238,300	3,117,691	369,290	494,732
Defined contribution plans	464,561	344,992	32,452	43,032
Social security contributions	36,070	27,433	2,783	3,329
Other staff related expenses	200,349	314,210	4,965	6,239
	5,157,280	3,900,326	627,490	643,332

Included in the employee benefit expenses is the Directors' emoluments amounting to RM107,250 (2011: RM107,250).

26. RELATED PARTY DISCLOSURES

(a) Related party transactions

		Company	
		2012	2011
Name of Company	**Nature**	RM	RM
DVM Innovate Sdn. Bhd.	Management fee	240,000	204,000
	Rental income	73,152	62,412
NGC Systems Sdn. Bhd.	Management fee	-	120,000
	Rental income	-	95,460
Key Alliance Sdn. Bhd.	Management fee	180,000	-
	Rental income	183,804	-
MobileVideo International Limited	Management fee	-	96,000

The Directors are of the opinion that the abovementioned transactions are entered into on a negotiated basis.

26. RELATED PARTY DISCLOSURES (CONT'D)

(b) Compensation of key management personnel

The remuneration of Directors and other members of key management personnels during the financial year were as follows:-

	Group and Company	
	2012	2011
	RM	RM
Executive Directors:		
Other emoluments	96,000	96,000
EPF contributions	11,250	11,250
Fee	120,000	-
	227,250	107,250
Non-executive Directors:		
Fee	98,000	96,000
	325,250	203,250

27. EMPLOYEES SHARE OPTION SCHEME ("ESOS")

The Company's ESOS is governed by the-laws approved by the shareholders at an Extraordinary General Meeting on 25 June 2009. The ESOS was implemented on the same date and is to be in force for a period of 5 years from the date of implementation.

The salient features and other terms of the ESOS are as follows:-

(i) Maximum Number of DVM Technology Berhad Shares which may be made available under the Scheme shall not exceed 30% of the issued and paid-up share capital of the Company at any point of time during the duration of the Scheme and is subject to the following:-

(a) not more than 50% of the Shares available under the Scheme shall be allocated, in aggregate, to Directors and senior management of the Group; and

(b) the allocation to an Eligible Employee who, singly or collectively though persons connected with him, holds 20% or more of the issued and paid-up capital of DVM Technology Berhad, must not exceed 10% of the total number of shares available under the Scheme.

(ii) **Eligibility**

An Eligible Employee who fulfils the following conditions shall be eligible to participate in the Scheme:-

(a) if he is at least 18 years of age on the date of offer;

(b) if he is confirmed and has worked for the Group for at least one year prior to the date of offer;

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27. **EMPLOYEES SHARE OPTION SCHEME ("ESOS") (CONT'D)**

(ii) **Eligibility (cont'd)**

An Eligible Employee who fulfils the following conditions shall be eligible to participate in the Scheme (cont'd):-

(c) if he is employed by a subsidiary of the Company, the period of employment in the Group shall be deemed to commence from the date on which he has been confirmed and worked for the subsidiary for at least one year, or the date on which such company become a subsidiary of the Company, whichever is earlier; and

(d) if in the case of a Director, whose specific allocation has been approved by the shareholders of the Company in a general meeting and is not prohibited or disallowed by the relevant authorities or laws from participating in the Scheme

(iii) **Subscription Price**

The subscription price of each comprised in any option shall be the higher of the following:-

(a) the weighted average market price of the DVM Technology Berhad. Shares for the 5 market days immediately preceding the date of offer with a discount of not more than 10%; or

(b) the par value of the Shares.

The Subscription Price shall be subject to certain adjustments in accordance with the By-Laws.

The salient features and other terms of the ESOS are as follows:-

(iv) **Acceptance of Offer**

An offer shall be accepted by an Eligible Employee within a period of 14 days from the date of offer by written notice to the Company accompanied by a payment to the Company of a nominal no-refundable consideration of RM1.00 only for the grant of the options. The date of receipt by the Option Committee of such written notice shall constitute the date of acceptance.

As at reporting date, no options were offered and granted.

28. CONTINGENT LIABILITIES

	Company		
	31.12. 2012	31.12.2011	1.1.2011
	RM	RM	RM
Unsecured:			
Corporate guarantee given to financial institutions in respect of credit facilities granted to subsidiaries	7,471,871	12,679,141	18,657,764
Secured:			
Investment property pledged to a licensed bank for credit facilities granted to a subsidiary	8,000,000	7,600,000	7,300,000

The corporate guarantees do not have a determinable effect on the terms of the credit facilities due to the financial institutions requiring parent guarantee as a pre-condition for approving the credit facilities granted to the subsidiaries. The actual terms of the credit facilities are likely to be the best indicator of "at market" terms and hence the fair value of the credit facilities are equal to the credit facilities amount received by the subsidiaries. As such, there is no value on the corporate guarantee to be recognised in the financial statements.

29. SEGMENT REPORTING

Business segment

The Group operates predominantly in the information communication technology industry involving various types of activities as mentioned in Note 6 to the financial statements. Therefore, the financial information by business segments of the Group's operations is not presented as there is no different from the operating profit or loss in the consolidated financial statements.

Geographical information

The Group's revenue and non-current assets information based on geographical location are as follows:-

	Revenue		Non-current assets		
	2012	2011	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM	RM	RM
Malaysia	9,060,175	25,658,652	17,169,365	24,901,893	32,462,560
Pakistan	-	1,092,782	-	-	-
Vietnam	-	1,097,599	-	-	-
Iran	-	1,294,604	-	-	-
	9,060,175	29,143,637	17,169,365	24,901,893	32,462,560

29. **SEGMENT REPORTING (CONT'D)**

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:-

	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Property, plant and equipment	7,719,494	15,188,736	22,400,705
Investment property	8,000,000	7,600,000	7,300,000
Investment in an associate	188,153	-	-
Development expenditure	1,261,718	2,113,157	2,761,855
	17,169,365	24,901,893	32,462,560

Major customers

Approximately 76% (2011: 23%) of the Group revenue is contributed by a single customer.

30. **FINANCIAL INSTRUMENTS**

30.1 **Financial Risk Management**

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The Group's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and the Company's business whilst managing its risks. The Group operates within policies that are approved by the Board of Directors and the Group's policies are not to engage in speculative transactions.

The main areas of financial risks faced by the Group and the Company, and the policies in respect of the major areas of treasury activity are set out as follows:-

(a) *Credit risk*

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

As at the end of the reporting period, the maximum exposure to credit risk arising from financial assets is limited to the carrying amounts in the statements of financial position.

Following are the areas where the Group and the Company are exposed to credit risk:-

i. *Receivables*

With a credit policy in place to ensure the credit risk is monitored on an ongoing basis, management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. The Group uses ageing analysis to monitor the credit quality of the receivables.

30. FINANCIAL INSTRUMENTS

30.1 Financial Risk Management

The main areas of financial risks faced by the Group and the Company, and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(a) Credit risk (cont'd)

i. *Receivables (cont'd)*

Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually. The ageing analysis of the Group's trade receivables is disclosed in Note 10 to the financial statements.

Based on historical information about customer default rates, management considers the credit quality of trade receivables that are not past due or impaired to be good.

The net carrying amount of receivables is considered a reasonable approximate of fair value.

In respect of trade and other receivables, the Group and the Company are not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics other than 47% (31.12.2011 and 1.1.2011: Nil) of the Group's trade receivables as at reporting date was due from 2 debtors (31.12.2011 and 1.1.2011: Nil).

ii. *Intercompany balances*

The maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The Company provides unsecured loans and advances to subsidiaries and monitors the results of the subsidiaries regularly.

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiaries are not recoverable, other than disclosed in Note 6 to the financial statements.

iii. *Deposits with licensed banks*

The credit risk for deposits with licensed banks is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

30. FINANCIAL INSTRUMENTS

30.1 Financial Risk Management

The main areas of financial risks faced by the Group and the Company, and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(a) *Credit risk (cont'd)*

iv. *Financial Guarantee*

The maximum exposure to credit risk is disclosed in Note 28 represented by the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an on-going basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

(b) *Liquidity risk*

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due, due to shortage of funds.

In managing its exposures to liquidity risk arises principally from its various payables and borrowings, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

The Group and the Company aim to maintain a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

Group

			Maturity			
	Carrying amount RM	Contractual cash flows RM	Less than 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
31.12.2012						
Secured:						
Borrowings	9,141,050	10,573,575	7,525,829	1,038,672	1,385,366	623,708
Finance lease liabilitity	30,311	30,920	26,520	4,400	-	-
	9,171,361	10,604,495	7,552,349	1,043,072	1,385,366	623,708
Unsecured:						
Trade payables	1,154,665	1,154,665	1,154,665	-	-	-
Other payables and accruals	2,433,708	2,433,708	2,433,708	-	-	-
Amount due to a Director	2,639,000	2,639,000	2,639,000	-	-	-
	6,227,373	6,227,373	6,227,373	-	-	-
Total	15,398,734	16,831,868	13,779,722	1,043,072	1,385,366	623,708

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 Financial Risk Management (cont'd)

The main areas of financial risks faced by the Group and the Company, and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(b) *Liquidity risk (cont'd)*

As at reporting date, the Group's and the Company's non-derivative financial liabilities which have contractual maturities including interest payments are summarised below (cont'd):-

Group			Maturity			
	Carrying amount RM	Contractual cash flows RM	Less than 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
31.12.2011						
Secured:						
Borrowings	14,471,746	16,554,104	8,056,311	5,450,047	2,216,078	831,668
Finance lease liability	54,888	57,440	26,520	30,920	-	-
	14,526,634	16,611,544	8,082,831	5,480,967	2,216,078	831,668
Unsecured:						
Trade payables	2,135,846	2,135,846	2,135,846	-	-	-
Other payables and accruals	1,031,041	1,031,041	1,031,041	-	-	-
Amount due to a Director	1,259,000	1,259,000	1,259,000	-	-	-
	4,425,887	4,425,887	4,425,887	-	-	-
Total	18,952,521	21,037,431	12,508,718	5,480,967	2,216,078	831,668

Group			Maturity			
	Carrying amount RM	Contractual cash flows RM	Less than 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
1.1.2011						
Secured:						
Borrowings	19,988,269	22,106,502	8,602,586	4,965,346	7,498,942	1,039,628
Finance lease liability	78,380	83,960	25,440	58,520	-	-
	20,066,649	22,190,462	8,628,026	5,023,866	7,498,942	1,039,628
Unsecured:						
Trade payables	5,289,115	5,289,115	5,289,115	-	-	-
Other payables and accruals	1,104,490	1,104,490	1,104,490	-	-	-
Amount due to a Director	504,000	504,000	504,000	-	-	-
	6,897,605	6,897,605	6,897,605	-	-	-
Total	26,964,254	29,088,067	15,525,631	5,023,866	7,498,942	1,039,628

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 Financial Risk Management (cont'd)

The main areas of financial risks faced by the Group and the Company, and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(b) Liquidity risk (cont'd)

As at reporting date, the Group's and the Company's non-derivative financial liabilities which have contractual maturities including interest payments are summarised below (cont'd):-

Company			---Maturity---			
	Carrying amount RM	Contractual cash flows RM	Less than 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
31.12.2012						
Secured:						
Borrowings	1,669,179	2,046,546	590,998	207,960	623,880	623,708
Unsecured:						
Other payables and accruals	268,990	268,990	268,990	-	-	-
Amount due to a subsidiary	6,670	6,670	6,670	-	-	-
Amount due to a Director	250,000	250,000	250,000	-	-	-
	525,660	525,660	525,660	-	-	-
Total	2,194,839	2,572,206	1,116,658	207,960	623,880	623,708

Company			---Maturity---			
	Carrying amount RM	Contractual cash flows RM	Less than 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
31.12.2011						
Secured:						
Borrowings	1,792,605	2,261,616	598,108	207,960	623,880	831,668
Unsecured:						
Other payables and accruals	300,906	300,906	300,906	-	-	-
Amount due to a subsidiary	224,357	224,357	224,357	-	-	-
	525,263	525,263	525,263	-	-	-
Total	2,317,868	2,786,879	1,123,371	207,960	623,880	831,668

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 Financial Risk Management (cont'd)

The main areas of financial risks faced by the Group and the Company, and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(b) *Liquidity risk (cont'd)*

As at reporting date, the Group's and the Company's non-derivative financial liabilities which have contractual maturities including interest payments are summarised below (cont'd):-

Company			---Maturity---			
	Carrying amount RM	Contractual cash flows RM	Less than 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
1.1.2011						
Secured:						
Borrowings	1,830,505	2,396,988	533,622	199,858	623,880	1,039,628
Unsecured:						
Other payables and accruals	311,298	310,758	310,758	-	-	-
Amount due to a subsidiary	175,230	175,230	175,230	-	-	-
	486,528	485,988	485,988	-	-	-
Total	2,317,033	2,882,976	1,019,610	199,858	623,880	1,039,628

(c) *Foreign currency risk*

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk as a result of its normal operating activities, where the currency denomination differs from the Group's functional currency, i.e. Ringgit Malaysia ("RM"). The Group's guideline is to minimise the exposure of foreign currency risk by matching local currency income against local currency costs. The currency giving rise to this risk is primarily United States Dollar ("USD"), Euro Dollar ("EURO") and Singapore Dollar ("SGD").

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period are disclosed in Note 10 and Note 18 to the financial statements.

A 5% strengthening of RM against the following foreign currencies at the reporting date would increase / (decrease) the Group's loss for the financial year and equity by the amounts shown below with all other variable held constant :-

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 Financial Risk Management (cont'd)

The main areas of financial risks faced by the Group and the Company, and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(c) *Foreign currency risk (cont'd)*

	Group			
	2012		2011	
	Loss for the financial year RM	Equity RM	Loss for the financial year RM	Equity RM
USD	88,643	(88,643)	112,651	(112,651)
EURO	-	-	(1,114)	1,114
Increase/ (Decrease)	88,643	(88,643)	111,537	(111,537)

A 5% weakened of RM against the above foreign currencies would have an equal but opposite effect in the Group's loss for the financial year and equity.

The assumed movement in foreign currency exchange rate of 5% for the foreign currency exchange rate sensitivity analysis is based on the prudent estimate of the current market environment.

(d) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed and floating debts based on assessment of its existing exposure and desired interest rate profile.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were as follows:-

	Group			Company		
	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Fixed rate instruments						
Financial asset						
Fixed deposits with licensed banks	2,095,535	2,036,317	2,657,431	-	-	-
Financial liabilities						
Finance lease liability	30,311	54,888	78,380	-	-	-
Term loans	5,779,127	9,986,401	15,672,177	-	-	-
	5,809,438	10,041,289	15,750,557	-	-	-

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 Financial Risk Management (Cont'd)

The main areas of financial risks faced by the Group and the Company, and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(d) *Interest rate risk (cont'd)*

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were as follows (cont'd):-

	Group			Company		
	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Floating rate instruments						
Financial liabilities						
Bank overdrafts	2,075,782	2,096,830	2,582,043	383,038	398,250	330,505
Trust receipts	-	994,160	234,049	-	-	-
Term loans	1,286,141	1,394,355	1,500,000	1,286,141	1,394,355	1,500,000
	3,361,923	4,485,345	4,316,092	1,669,179	1,792,605	1,830,505

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

	Group		Company	
	Loss for the year	Equity	Profit/(Loss) for the year	Equity
Floating rate instruments				
2012	15,659	(15,659)	1,076	(1,076)
2011	16,518	(16,518)	1,837	(1,837)

A decreased of 0.5% in interest rate would have an equal but opposite effect to the (loss)/profit for the financial year and equity.

The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

30.2 Fair Value of Financial Instruments

Fair value is the amount at which the financial instruments could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced and liquidation sale.

The financial instruments in the statements of financial position of the Group and of the Company are carried at fair value or if not carried at fair value, their carrying amounts are reasonable approximation of fair value due to their relatively short term nature and insignificant impact of discounting.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.3 Fair Value Hierarchy

No fair value hierarchy has been disclosed as the Group and the Company does not have financial instruments measured at fair value.

31. CAPITAL MANAGEMENT

The primary objective of capital management is to ensure that an entity maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group and the Company manage its capital structure to safeguard its ability to continue as a going concern in order to maintain investor, creditor and market confidence and to sustain future business development.

The Group and the Company monitor capital using a gearing ratio, which is derived by dividing the amount of borrowings over equity. The Group's and the Company's policy is to keep the gearing ratio within manageable ratio.

The Group's and the Company's gearing ratio as at reporting date are summarised as below:-

	Group			Company		
	31.12.2012	31.12.2011	1.1.2011	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM	RM	RM	RM
Total interest bearing borrowings	9,171,361	14,526,634	20,066,649	1,669,179	1,792,605	1,830,505
Total equity attributable to owners of the Company	9,800,380	12,833,712	18,842,801	23,840,741	21,945,881	22,059,172
Gearing ratio	0.94	1.13	1.06	0.07	0.08	0.08

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The capital managed at Group level is the shareholder' funds as shown in the statement of financial position.

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) The Company on 5 September 2012 had entered into an agreement with Fatfish Capital Ltd ("FCL"), a company incorporated in British Virgin Island to subscribe for an aggregate of 1,001 ordinary shares for a total consideration of Singapore Dollar ("SGD") 100,100 representing 50% of shares in FCL. The Company is further granted an option to subscribe additional 2,000 ordinary shares in FCL for a consideration of SGD200,000 before 31 December 2012. As at reporting date, the Company does not exercise the option.

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(b) On 28 May 2012, the Company had announced the following proposals:-

(i) Proposed renounceable rights issue of up to 387,200,000 new ordinary shares of RM0.10 each in DVM ("rights shares") together with up to 290,400,000 new free detachable warrants ("warrants") at an issue price of RM0.10 per rights share on the basis of four (4) rights shares together with three (3) warrants of RM0.10 each held in DVM;

(ii) Proposed amendments to the Memorandum of Association of the Company; and

(iii) Proposed increase in the authorised share capital of the Company from RM50,000,000 comprising 500,000,000 ordinary shares to RM100,000,000 comprising 1,000,000,000 ordinary shares.

On 25 February 2013, the proposals have been approved by Bursa Malaysia Securities Berhad.

On 29 March 2013 at the Extraordinary General Meeting, the Company's shareholders has approved the proposals.

The proposals are still at the implementation stage as at the date of the report.

33. CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENT

The Company adopted MFRS 140 Investment Property since financial year ended 31 December 2012 and had in previous years recognised investment property using cost model. The Company's Directors reviewed this policy in the current financial year and have decided to change the policy to fair value model. Accordingly, the carrying amounts of the investment property for the financial years ended 31 December 2010 to 31 December 2011 have been adjusted by way of prior years adjustments, with the opening balances in the statements of financial position as at 1 January 2011 and 1 January 2012 and profit or loss and statements of cash flows for the financial year ended 31 December 2011 restated as follows:-

Effects on the statements of financial position as at 31 December 2010 and 31 December 2011:

	Balance as at 31.12 2010 (As previously reported) RM	Effect of changes in accounting policy RM	Balance as at 1.1.2011 (As restated) RM
Deferred tax liabilities			
- Group and Company	-	816,983	816,983
Investment property			
- Group and Company	3,507,901	3,792,099	7,300,000
Accumulated losses			
- Group	(12,448,980)	(2,975,116)	(9,473,864)
- Company	(9,232,609)	(2,975,116)	(6,257,493)

33. CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENT (CONT'D)

Effects on the statements of financial position as at 31 December 2010 and 31 December 2011 (cont'd):

	Balance as at 31.12 2011 (As previously reported) RM	Effect of changes in accounting policy RM	Balance as at 1.1.2011 (As restated) RM
Deferred tax liabilities			
- Group	(193,000)	(891,983)	(1,084,983)
- Company	-	(891,983)	(891,983)
Investment property			
- Group and Company	3,427,259	4,172,741	7,600,000
Accumulated losses			
- Group	(18,763,711)	3,280,758	(15,482,953)
- Company	(9,651,542)	3,280,758	(6,370,784)

Effects on the statement of comprehensive income for the financial year ended 31 December 2011:

	As previously reported RM	Effect of changes in accounting policy RM	As restated RM
Loss before tax			
- Group	(7,131,529)	380,642	(6,750,887)
- Company	(387,291)	380,642	(6,649)
Amortisation of investment property			
- Group and Company	80,642	(80,642)	-
Fair value gain on investment property			
- Group and Company	-	(300,000)	(300,000)

33. CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENT (CONT'D)

Effects on the statements of cash flows for the financial year ended 31 December 2011:

	As previously reported RM	Effect of changes in accounting policy RM	As restated RM
Loss before tax			
- Group	(7,131,529)	380,642	(6,750,887)
- Company	(387,291)	380,642	(6,649)
Amortisation of investment property			
- Group and Company	80,642	(80,642)	-
Fair value gain on investment property			
- Group and Company	-	(300,000)	(300,000)

34. DISCLOSURE OF REALISED AND UNREALISED PROFITS

Bursa Malaysia Securities Berhad has on 25 March 2010 and 20 December 2010, issued directives requiring all listed corporations to disclose the breakdown of unappropriated profits or accumulated losses into realised and unrealised on group and company basis, as the case may be, in quarterly reports and annual audited financial statements.

The breakdown of accumulated losses as at the reporting date has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad stated above and Guidance on Special Matter No. 1 issued on 20 December 2010 by the Malaysian Institute of Accountants are as follows:-

	Group	
	2012	2011
	RM	RM
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(25,021,832)	(20,446,907)
- Unrealised	2,405,189	2,481,342
	(22,616,643)	(17,965,565)
Total share of accumulated losses of an associate	(64,800)	-
Less: Consolidated adjustments	2,405,158	2,482,612
Total accumulated losses	(20,276,285)	(15,482,953)

	Company	
	2012	2011
	RM	RM
Total accumulated losses of the Company		
- Realised	(9,211,871)	(9,046,731)
- Unrealised	2,975,947	2,675,947
Total accumulated losses	(6,235,924)	(6,370,784)

The disclosure of realised and unrealised profit or lossess above is solely for complying with the disclosure requirement stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF OUR GROUP FOR THE THREE (3) MONTHS FPE 31 MARCH 2013

CERTIFIED TRUE COPY
(Company Secretary)

PANG KAH MAN (F)
MIA NO : 18831

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for first quarter ended 31 March 2013
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	2013	2012	2013	2012
	CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	RM'000	RM'000	RM'000	RM'000
REVENUE	3,391	2,401	3,391	2,401
Operating profit	559	(40)	559	(40)
Amortisation and depreciation	(578)	(1,015)	(578)	(1,015)
Interest expense	(148)	(220)	(148)	(220)
Other income	173	196	173	196
Gain/(Loss) on fair value - Property	0	4,186	0	4,186
Share of results of associate company	(15)	0	(15)	0
Profit/(loss) before taxation	(9)	3,107	(9)	3,107
Taxation	0	(209)	0	(209)
Profit/(loss) after taxation	(9)	2,898	(9)	2,898
Profit/(loss) attributable to:				
Equity holders of the company	(3)	2,957	(3)	2,957
Non-controlling interest	(6)	(59)	(6)	(59)
Profit/(loss) after taxation	(9)	2,898	(9)	2,898
Weighted average number of shares in issue ('000)	193,600	193,600	193,600	193,600
Earnings per share (sen) - basic	(0.00)	1.53	(0.00)	1.53

The unaudited condensed consolidated Income Statements should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial statements.

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF OUR GROUP FOR THE THREE (3) MONTHS FPE 31 MARCH 2013 *(Cont'd)*

CERTIFIED TRUE COPY
(Company Secretary)

PANG KAH MAN (F)
MIA NO : 18831

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2013
(The figures have not been audited)

	AS AT END OF CURRENT QUARTER 31/03/2013 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2012 (Audited)
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	13,670	15,720
Development Expenditure	1,081	1,262
Investment in Associate	173	188
	14,924	**17,170**
Current Assets		
Trade and other receivables	2,956	1,991
Fixed deposits with licensed banks	2,112	2,096
Cash and bank balances	79	2,779
	5,147	**6,866**
TOTAL ASSETS	**20,071**	**24,036**
EQUITY AND LIABILITIES		
Capital and Reserves		
Issued capital	19,360	19,360
Share premium	10,717	10,717
Accumulated Loss	(20,279)	(20,276)
	9,798	**9,801**
Non-controlling interest	(1,100)	(1,094)
Total Equity	**8,698**	**8,707**
Non-current Liability		
Term loan	2,472	2,683
Current Liabilities		
Trade and other payables	3,538	6,190
Bank overdrafts	2,024	2,076
Bank borrowings	3,316	4,413
Tax liabilities	23	(33)
	8,901	**12,646**
Total Liabilities	**11,373**	**15,329**
TOTAL EQUITY AND LIABILITIES	**20,071**	**24,036**
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.04	0.04

The unaudited condensed consolidated Balance Sheet should be read in conjuction with the annual audited financial statements for the financial period ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial statements.

Company No. 609953-K

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF OUR GROUP FOR THE THREE (3) MONTHS FPE 31 MARCH 2013 *(Cont'd)*

CERTIFIED TRUE COPY
(Company Secretary)

PANG KAH MAN (F)
MIA NO : 18831

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for first quarter ended 31 March 2013
(The figures have not been audited)

	3-MONTHS ENDED 31/03/13 (Unaudited)	12-MONTHS ENDED 31/12/12 (Audited)
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit/(Loss) before tax	(9)	(4,060)
Adjustment for:		
Non-cash items	578	4,761
Non-operating items	132	779
Operating profit before working capital changes	701	1,480
Net changes in current assets	(965)	3,191
Net changes in current liabilities	(2,645)	402
Cash from operations	(2,909)	5,073
Interest paid	(148)	(819)
Net tax paid	56	(48)
Net cash generated from operating activities	(3,001)	4,206
Cash Flows from Investing Activities		
Interest received	16	40
Purchase of property, plant and equipment	1,849	2,978
Development expenditure incurred	(181)	(851)
Investment in Associate	0	(253)
Net cash used in investing activities	1,684	1,914
Cash Flows from Financing Activities		
Increased in issued share capital	0	1,760
Fixed deposits withdrawn / (pledged)	(16)	(60)
Repayment of hire purchase	(7)	(26)
Repayment of term loan	(1,308)	(5,332)
Net cash generated from financing activities	(1,331)	(3,658)
Net Decrease in Cash and Cash Equivalents	(2,648)	2,462
Cash and Cash Equivalents at beginning of year	703	(1,759)
Cash and Cash Equivalents at end of period	(1,945)	703
Cash and Cash Equivalents comprise of:		
Fixed deposits with licensed bank	2,112	2,096
Cash and bank balances	79	2,779
Bank overdrafts	(2,024)	(2,076)
	167	2,799
Less : Fixed deposits pledged	(2,112)	(2,096)
	(1,945)	703

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 2012 and the accompanying explanatory notes attached to this interim financial statements.

Company No. 609953-K

APPENDIX VI

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF OUR GROUP FOR THE THREE (3) MONTHS FPE 31 MARCH 2013 *(Cont'd)*

CERTIFIED TRUE COPY
(Company Secretary)

PANG KAH MAN (F)
MIA NO : 18831

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for first quarter ended 31 March 2013
(The figures have not been audited)

	Issued Capital	Share Premium	Non-distributable reserve - Reserve on consolidation	Accumulated Loss	Non - Controlling Interest	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as of 1 January 2013	19,360	10,717	0	(20,276)	(1,094)	8,707
Total comprehensive income/(loss) for the period	0	0	0	(3)	(6)	(9)
Balance as of 31 March 2013	19,360	10,717	0	(20,279)	(1,100)	8,698

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 2012 and the accompanying explanatory notes attached to this interim financial statements.

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(Company Secretary)

PANG KAH MAN (F)
MIA NO : 18831

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

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2013

A. EXPLANATORY NOTES

A1. Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 – Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for ACE Market ("AMLR") and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2012.

The significant accounting policies adopted by the Group are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2012.

The condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements and MFRS 1 – First-time Adoption of Malaysian Financial Reporting Standards has been applied. The transition of MFRS framework does not have any material financial impact to the financial statements of the Group.

A2. Auditors' Report

The auditors' report for the Group's annual financial statements for the financial year ended 31 December 2012 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.

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(Company Secretary)

PANG KAH MAN (F)
MIA NO : 18831

A8. Segmental Reporting

The Group is primarily engaged in the information communication technology and other information technology ("IT") related services, therefore segmental analysis is not presented and operations are conducted predominantly in Malaysia.

A9. Valuation of Property, Plant and Equipment

Valuation on investment property has been carried out by an independent valuer Messrs Jones Lang Wotton during the last financial year end. The fair value for the investment property is stated at RM8.0million as per valuer's report dated 30 January 2013.

Other property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

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 major changes in other contingent liabilities or contingent assets since the last annual Statement of Financial Position as at 31 December 2012.

A13. Capital Commitments

There were no material capital commitments for the purchase of property, plant and equipment incurred or known to be incurred for in the current quarter under review.

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 RM3.39 million and this performance was driven mainly by the projects secured for the network and systems integration and the Genico Broadband Telephony products. The Group recorded a net loss after taxation of RM9,000 as the result of slightly increase sales revenue and decrease expenditure for the quarter under review. The Group has been actively pursuing for new businesses with positive feedbacks for the coming future.

B2. Future Prospect

The Board is of the view that the Group's prospect will remain challenging in near future.

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF OUR GROUP FOR THE THREE (3) MONTHS FPE 31 MARCH 2013 *(Cont'd)*

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B3. Changes in Profit/Loss before Taxation against Immediate Preceding Quarter

For the current quarter under review, the Group's revenue of RM3.39 million was slightly increase compared to the revenue of the preceding corresponding quarter of RM2.40 million. This was attributed mainly to the increase of billing for the products and services in the quarter under review. The loss after tax was RM9,000 as compared to preceding corresponding quarter profit after tax of RM2.90 million due to an adjustment on fair value of investment property for the preceding correspondence quarter.

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

The Group tax provision has been off-set against the reversal of tax over provided previously.

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. Corporate Proposals

Right Issue

On 28 May 2012, the Company ("Company" or "DVM") announced the following proposals:

(a) Proposed renounceable right issue of up to 387,200,000 new ordinary shares of RM0.10 each in DVM ("Right Shares") together with up to 290,400,000 new free detachable warrants ("Warrants") at an issue price of RM0.10 per Rights Share on the basis of four (4) Right Shares together with three (3) Warrants for every two (2) existing ordinary shares of RM0.10 held in DVM (DVM Shares");

(b) Proposed amendments to the Memorandum of Association of the Company; and

(c) Proposed increase in the authorised share capital of the Company from RM50,000,000 comprising 500,000,000 DVM Shares to RM100,000,000 comprising 1,000,000,000 DVM Shares.

The abovementioned right issue with warrants proposal exercise has been approved by Bursa Malaysia Securities Berhad ("Bursa Securities") on 25 February 2013 and EGM-Shareholders on 29 March 2013 respectively and pending for completion soon.

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(Company Secretary)

PANG KAH MAN (F)
MIA NO : 18831

B9. Group Borrowings and Debt Securities

	Short-term	Long-term	Total
	RM'000	RM'000	RM'000
Secured			
Bank overdraft	2,024	-	2,024
Short-term loan	0	-	0
Hire purchase payable	24	-	24
Term loans	3,292	2,472	5,764
	5,340	2,472	7,812

The bank overdraft and term loans are secured by way of fixed deposits pledged and charged over the investment property of the Company and corporate guarantee by the Company.

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 has 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 year ended 31 December 2012 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. Profit/(Loss) Before Tax

Profit/(Loss) for the period is arrived after crediting/(charging) the following:

	Quarter Ended		Cumulative Year-To-Date Ended	
	31/03/2013 RM'000	31/03/2012 RM'000	31/03/2013 RM'000	31/03/2012 RM'000
Interest income	16	14	16	14
Interest expense	(148)	(220)	(148)	(220)
Depreciation & amortization	(578)	(1,015)	(578)	(1,015)
Realised foreign exchange loss	-	4	-	4

B14. Utilisation of Proceeds

Private Placement

On 03 April 2012, the Company had announced the completion of issuance of 17,600,000 new ordinary shares of RM0.10 each representing 10% of the issued and paid-up share capital of the Company on the ACE Market of Bursa Securities. The breakdown of the utilisation proceeds as at 31 March 2013 is as follows:

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF OUR GROUP FOR THE THREE (3) MONTHS FPE 31 MARCH 2013 *(Cont'd)*

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(Company Secretary)

PANG KAH MAN (F)
(MIA NO : 18831

	Time frame for Utilisation	Proposed Utilisation	Actual Utilisation	Deviation	%
		RM	RM	RM	
Staff costs	12-mths	1,019,477	1,019,477	-	-
Marketing Expenses	12-mths	390,517	390,517	-	-
Traveling Expenses	12-mths	131,282	131,282	-	-
Working Capital	6-mths	218,724	218,724	-	-
Total		**1,760,000**	**1,760,000**	-	-

B15. Realised and Unrealised Profits/(Losses)

The realised and unrealised profits/(losses) of the group for the period ended are as follows:

	As at 31 March 2013	As at 31 December 2012
	RM'000	RM'000
Total accumulated loss		
Realised	(20,288)	(25,021)
Unrealised	0	2,405
	(20,288)	(22,616)
Share of accumulated losses of an associate company	(15)	(65)
Consolidated adjustments	6	2,405
	(20,279)	(20,276)

B16. Earnings per Share

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

	Quarter Ended		Year-To-Date Ended	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Net profit/(loss) for the period (RM'000)	(3)	2,957	(3)	2,957
Weighted average number of ordinary shares in issue ('000)	193,600	193,600	193,600	193,600
Earnings per share (sen)	0.00	1.53	0.00	1.53

DIRECTORS' REPORT

DVM TECHNOLOGY
People and Technology

Registered Office:
3-2, 3rd Mile Square
No. 151, Jalan Kelang Lama Batu 3½
58100 Kuala Lumpur

Date: 0 3 JUN 2013

To: The Entitled Shareholders of DVM Technology Berhad

Dear Sir/Madam,

On behalf of the Board of Directors ("Board") of DVM Technology Berhad ("DVM" or "Company"), I wish to report that, after making due enquiries in relation to the Company and its subsidiary companies ("Group") during the period between 31 December 2012, being the date on which the latest audited consolidated financial statements have been made up, and the date hereof, being a date not earlier than fourteen (14) days before the date of this Abridged Prospectus, that:-

(a) the business of the Group has, in the opinion of the Board, been satisfactorily maintained;

(b) in the opinion of the Board, no circumstances have arisen since the last audited consolidated financial statements of the Group which have adversely affected the trading or the value of the assets of the Group;

(c) the current assets of the Group appear in the books at values which are believed to be realizable in the ordinary course of business;

(d) save as disclosed in Section 9.4 of this Abridged Prospectus, there are no material contingent liabilities which have arisen by reason of any guarantees or indemnities given by any company within the Group;

(e) since the last audited consolidated financial statements of the Group, there has been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings; and

(f) there have been no material changes in the published reserves or any unusual factors affecting the profits of the Group since the last audited consolidated financial statements of the Group.

Yours faithfully,
For and on behalf of the Board
DVM TECHNOLOGY BERHAD

DATO' GOH KIAN SENG
Managing Director

DVM Technology Berhad (609953-K)
Lot 11.3, 11th Floor, Menara Lien Hoe, No.8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
T 6 03 7805 3868 F 6 03 7805 3863
www.dvm.com.my

ADDITIONAL INFORMATION

1. SHARE CAPITAL

(a) Save for the Rights Shares, Warrants and the new Shares to be issued pursuant to the exercise of the Warrants, no securities shall be allotted or issued on the basis of this Abridged Prospectus later than twelve (12) months after the date of the issuance of this Abridged Prospectus.

(b) As at the date of this Abridged Prospectus, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely ordinary shares of RM0.10 each, all of which rank *pari passu* with one another.

(c) All the Rights Shares and the new Shares to be issued pursuant to the exercise of Warrants shall, upon allotment and issue, rank *pari passu* in all respects with the existing issued and paid-up ordinary share capital, save and except that such Shares will not be entitled to any dividend, rights, allotment and/or other distribution that may be declared, made or paid prior to the date of allotment of such Shares.

(d) As at the date of this Abridged Prospectus, save for the Entitled Shareholders who will be provisionally allotted the Rights Shares together with Warrants under the Rights Issue with Warrants, no person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of our Company or our subsidiaries as of the date of this Abridged Prospectus.

(e) Save for the Rights Issue with Warrants and as disclosed in Appendix III of this Abridged Prospectus, none of our securities have been issued or agreed to be issued either as fully or partly paid-up otherwise than in cash, within the two (2) years immediately preceding the date of this Abridged Prospectus.

2. ARTICLES OF ASSOCIATION

The provisions in our Articles of Association in relation to the remuneration of our Directors are as follows:-

Remuneration of Directors
Article 90

The Directors shall be paid by way of fees for their services, such fixed sum (if any) as shall from time to time be determined by the Company in general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine (or failing agreement, equally). PROVIDED ALWAYS that:-

(a) fee payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
(b) salaries payable to Directors who hold an executive office in the Company may not include a commission on or percentage of turnover.
(c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting.
(d) any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Director may hold other office
Article 102

Subject always to Sections 131, 132E and 132F of the Act, a Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise nor shall any such contracts, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

Alternate Director
Article 116

(a) Each Director shall have power from time to time to nominate any person (not being a Director) to act as his alternate Director and at his discretion remove such alternate Director, but the appointment of such alternate Director shall not take effect until approved by a majority of the other Directors PROVIDED ALWAYS that any fee paid by the Company to an alternate Director shall be deducted from that Director's remuneration.

(b) An alternate Director shall (except as regards the power to appoint an alternate Director and remuneration) be subject in all respects to the terms and conditions existing with reference to the other Directors, and shall be entitled to receive notices of all meetings of the Directors and to attend, speak and vote at any such meeting at which his appointer is not present.

(c) Any appointment or removal of an alternate Director may be made by cable, telegram or radiogram, telex or in any other manner approved by the Directors. Any cable, telegram or radiogram shall be confirmed as soon as possible by letter, but may be acted upon by the Company in the meanwhile.

(d) If a Director making any such appointment as aforesaid shall cease to be a Director (otherwise than by reason of vacating his office at a meeting of the Company at which he is re-elected), the person appointed by him shall thereupon cease to have any power or authority to act as an alternate Director.

(e) A Director shall not be liable for the acts and defaults of any alternate Director appointed by him.

(f) An alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him at which he is entitled to vote.

Remuneration of Director holding executive office
Article 118

The remuneration of a Director holding an executive office pursuant to these Articles shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but shall not include a commission on or percentage of turnover.

3. MATERIAL CONTRACTS

Save for the Deed Poll, we confirm that there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group within the past two (2) years preceding the date of this Abridged Prospectus.

4. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, neither DVM nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and as at the LPD, our Board is not aware of any proceedings pending or threatened against our Group or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group.

(a) DVM Innovate Sdn Bhd ("DVMI") had vide a letter of demand dated 15 June 2011 made a claim of RM2.88 million against Kementerian Kesihatan Malaysia ("KKM") for good and services rendered and/delivered to KKM. Subsequently, KKM in return issued a notice of demand to DVMI demanding the sum of RM2.196 million being late delivery penalty on DVMI's part. DVMI has replied to KKM's claim. There are no further correspondences made between the parties since then. DVMI's records shows that KKM has since been making payment towards DVMI's claim against them. Our Board is of the opinion that the full sum owed is recoverable and that the claim by KKM will not materialise.

5. GENERAL

(a) The nature of our business is set out in Section 1, Appendix III of this Abridged Prospectus. Save as disclosed in Section 5, Appendix III of this Abridged Prospectus, there are no corporations that are related to our Company by virtue of Section 6 of the Act as at the date of this Abridged Prospectus.

(b) The total estimated expenses of or in connection with the Rights Issue with Warrants including professional fees, fees payable to the relevant authorities, registration and other incidental expenses of approximately RM0.40 million will be borne by our Company.

(c) There is no existing or proposed service contracts entered into or to be entered into by our Group with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment or compensation (other than statutory compensation) within one (1) year of the date of this Abridged Prospectus.

(d) Save as disclosed in this Abridged Prospectus, and to the best knowledge of our Board, our Directors are not aware of any material information including trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group.

(e) Save as disclosed in this Abridged Prospectus and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:-

(i) known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

(ii) material commitments for capital expenditure;

(iii) unusual of infrequent events or transactions or significant economic changes that will materially affect the amount of reported income from operations;

(iv) known trends or uncertainties that have had or that our Group reasonably expects to have a material favourable or unfavourable impact of our Group's revenue or operating income; and

(v) substantial increase in revenue.

6. WRITTEN CONSENTS

The written consents of the Adviser, Company Secretary, Principal Bankers, Share Registrar and the Solicitors for the Rights Issue with Warrants to the inclusion in this Abridged Prospectus of their names in the form and context in which they appear have been given before issuance of this Abridged Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors/Reporting Accountants to the inclusion in this Abridged Prospectus of their names and letters relating to the audited consolidated financial statements of our Group for the FYE 2012 and the proforma consolidated statement of financial position of our Group as at 31 December 2012 respectively, in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not subsequently been withdrawn.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are made available for inspection at our Registered Office at 3-2, 3rd Mile Square, No. 151 Jalan Kelang Lama, Batu 3½, 58100 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) for a period of twelve (12) months from the date of this Abridged Prospectus:

(a) Our Memorandum and Articles of Association;

(b) Our audited consolidated financial statements for the past three (3) FYEs 2010, 2011 and 2012;

(c) Our unaudited consolidated results for the three (3) months FPE 31 March 2013;

(d) The proforma consolidated statement of financial position of our Group as at 31 December 2012 together with the notes and Reporting Accountants' letter thereon as set out in Appendix IV of this Abridged Prospectus;

(e) The Deed Poll;

(f) The cause papers in relation to the material litigation and arbitration referred to in Section 4 of this Appendix;

(g) The Directors' Report as set out in Appendix VI of this Abridged Prospectus;

(h) The consent letters referred to in Section 6 of this Appendix; and

(i) The Undertaking as referred to in Section 2.5 of this Abridged Prospectus.

8. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

M&A Securities, being our Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning this Rights Issue with Warrants.

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