

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

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2008

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

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

The Group recorded a revenue of RM5.7 million and this performance was driven mainly by the projects secured for the network and systems integration and the Genico Broadband Telephony products from both local and overseas customers. The Group recorded a loss after taxation of RM524,000, as a result of the higher operating costs incurred for the current quarter. Year to date revenue was RM22.7 million and losses of RM267,000 was recorded due to higher overheads incurred during the period.

B2. Future Prospect

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

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

For the current quarter under review, the Group's revenue of RM5.7 million was higher compared to the revenue of the immediate preceding quarter of RM9.1 million. This was attributed mainly to lower billings for the products and services in the third quarter of the year.

The loss after tax of RM524,000 was lower than preceding quarter profit of RM81,000 due to higher operating costs incurred.

B4. Profit Forecast

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

B5. Taxation

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

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

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

B7. Purchase and Disposal of Quoted Securities

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

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

B8. Status of Corporate Proposals

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

B9. Group Borrowings and Debt Securities

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

	Short-term RM'000	Long-term RM'000	Total RM'000
<u>Secured</u>			
Bank overdraft	1,541	-	1,541
Short-term loan	-	-	-
Term loan	263	30,479	30,742
	<u>1,804</u>	<u>30,479</u>	<u>32,283</u>

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

All borrowings are denominated in Ringgit Malaysia.

B10. Off Balance Sheet Financial Instruments

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

B11. Material Litigation

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

B12. Dividend

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

B13. (Loss)/Earnings Per Share

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

	Individual Quarter - Current Quarter	Preceding Corresponding Quarter	Cumulative Quarters - Current Year To Date	Preceding Corresponding Quarter
Net (loss)/profit for the period (RM'000)	(524)	142	(267)	628
Weighted average number of ordinary shares in issue ('000)	176,000	176,000	176,000	176,000
(Loss)/Earnings per share (sen) <i>(Basic and Diluted)</i>	(0.30)	0.08	(0.15)	0.36