

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

**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2009**

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

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

The Group recorded a revenue of RM34.14 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 RM819,000 as a result of the higher cost of sales and operating expenses incurred for the current quarter.

**B2. Future Prospect**

Barring unforeseen circumstances, the Board is optimistic that the Group's performance will continue to be satisfactory for the remainder financial year ending 31 December 2009.

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

For the current quarter under review, the Group's revenue of RM34.14 million was higher compared to the revenue of the preceding year corresponding quarter of RM13.92 million. This was attributed mainly to higher billings for the products and services in the second quarter of the year.

The loss after taxation of RM819,000 was due to higher cost of sales and operating expenses incurred compared to preceding year corresponding quarter profit of RM691,000.

**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 breakdown of taxation is as follows:

	<b>Current Quarter RM'000</b>	<b>Current Financial Year-to-Date RM'000</b>
Income tax	(263)	(263)
	<u>(263)</u>	<u>(263)</u>

**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:

	<b>Short-term RM'000</b>	<b>Long-term RM'000</b>	<b>Total RM'000</b>
<u>Secured</u>			
Bank overdraft	1,612	-	1,612
Short-term loan	550	-	550
Hire purchase payable	26	75	101
Term loan	4,486	16,292	20,778
	<u>6,674</u>	<u>16,367</u>	<u>23,041</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 which is likely to give rise to proceedings which may materially or adversely affect the financial position or the business operations of the Group.

**B12. Dividend**

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

**B13. Earnings Per Share**

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

	<b>Individual Quarter - Current Quarter</b>	<b>Preceding Corresponding Quarter</b>	<b>Cumulative Quarters - Current Year To Date</b>	<b>Preceding Corresponding Quarter</b>
Net profit for the period (RM'000)	50	760	1,484	452
Weighted average number of ordinary shares in issue ('000)	176,000	176,000	176,000	176,000
Earnings per share (sen) <i>(Basic and Diluted)</i>	0.03	0.43	0.84	0.26