

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2014

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 2013.

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 2013.

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 2013 was not subject to any qualification.

A3. Seasonal or Cyclical Factors

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

A4. Unusual Items

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

A5. Material Changes in Estimates

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

A6. Changes in Debts and Equity Securities

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

A7. Dividend

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

A8. Segmental Reporting

The Group 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

There was no valuation being carried out for the current quarter under review.

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

On 3 December 2013, the Group subscribed 1 ordinary share of RM1.00 each in Design DEPT Sdn Bhd (“DDSB”) representing 50% equity interest in DDSB. On 15 January 2014, the Group acquired the remaining 1 ordinary share of RM1.00 each in DDSB. Subsequently, the paid up capital of DDSB was increased to RM200,000 comprising of 200,000 ordinary shares. The principal activities of DDSB are to carry on the business of architectural and 3D interior design and image consultants.

On 3rd April 2014, the Group entered into a Share Sale Agreement with a third party to acquire 2 ordinary shares of RM1.00 each in Precious Essence Sdn Bhd (“PESB”), representing 100% equity interest in PESB, with a total cash consideration of RM2.00. PESB is an investment holding company.

There were no other material changes to the composition of the Group for the current quarter 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 2013.

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

The Group recorded revenue of RM8.6 million, 152.94% or RM5.2 million higher than RM3.40 million recorded in the corresponding quarter last year. The increase in revenue was driven mainly by the projects secured from the government sectors and approximately 69.49% of the revenue derives from the trading activities.

The Group recorded a net profit after taxation of RM34,000 as compared to the last year corresponding quarter's loss after taxation of RM9,000. This performance is as a result of higher sales revenue achieved 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.

B3. Changes in Profit/Loss before Taxation against Immediate Preceding Quarter

For the current quarter under review, the Group's revenue of RM8.6 million was lower compared to the revenue of the immediate preceding corresponding quarter of RM10.05million. This was attributed mainly to the decrease of billing for the products and services in the quarter under review. The profit after tax was RM34,000 as compared to the immediate preceding corresponding quarter loss after tax of RM645,000 due to higher sales revenue achieved for the quarter under review.

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***Private Placement***

On 25 February 2014, the Company (“Company” or “DVM”) announced proposed private placement of up to ten percent (10%) of the issued and paid-up share capital of DVM (“Proposed Private Placement”).

Bursa Securities Berhad had, vide its letter dated 20 March 2014, approved the listing of and quotation for up to 87,120,000 Placement Shares, representing up to ten percent (10%) of the enlarged issued and paid-up share capital of DVM.

The Company is in the midst of identifying suitable places.

B9. Group Borrowings and Debt Securities

	Short-term	Long-term	Total
	RM’000	RM’000	RM’000
Secured			
Hire purchase payable	27	307	334

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 2013 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	
	31/3/2014 RM'000	31/3/2013 RM'000	31/3/2014 RM'000	31/3/2013 RM'000
Interest income	120	16	120	16
Interest expense	(6)	(148)	(6)	(148)
Depreciation & amortization	(446)	(578)	(446)	(578)

B14. 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 2014 RM'000	As at 31 March 2013 RM'000
Total accumulated loss		
Realised	(31,194)	(31,237)
Unrealised	2,407	2,407
	(28,787)	(28,830)
Share of accumulated losses of an associate company	(93)	(115)
Consolidated adjustments	2,407	2,407
	(26,473)	(26,538)

B15. Status of utilization of proceeds

On 8 July 2013, the Rights Issue with Warrants has been completed with the listing of Rights Shares and Warrants on the Ace Market of Bursa Malaysia Securities Berhad. As at 24 February 2014, the status utilisation of the proceeds raised is as follow:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation
Working capital expenditures			
(a) Day-today working capital expenses	26,620	12,139	Within 24 months
(b) Setting up of startup accelerator	3,900	535	Within 24 months
Repayment of bank borrowings	7,800	7,800	Within 6 months
To defray expenses relating to the Proposals	400	400	Within 1 month

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	
	31/3/2014	31/3/2013	31/3/2014	31/3/2013
Net profit/(loss) for the period (RM'000)	34	(9)	34	(9)
Weighted average number of ordinary shares in issue ('000)	580,800	193,600	580,800	193,600
Earnings per share (sen)	0.01	0.00	0.01	0.00