

KEY ALLIANCE GROUP BERHAD (609953-K)
(FORMERLY KNOWN AS DVM TECHNOLOGY BERHAD)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR FIRST QUARTER ENDED 31 MARCH 2015**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	2015 CURRENT QUARTER	2014 PRECEDING YEAR CORRESPONDING QUARTER	2015 CURRENT YEAR TO DATE	2014 PRECEDING YEAR CORRESPONDING PERIOD
	<u>31/03/2015</u>	<u>31/03/2014</u>	<u>31/03/2015</u>	<u>31/03/2014</u>
	RM'000	RM'000	RM'000	RM'000
REVENUE	<u>11,575</u>	<u>8,601</u>	<u>11,575</u>	<u>8,601</u>
Operating profit	(269)	156	(269)	156
Other income	69	188	69	188
Interest income	55	120	55	120
Amortisation and depreciation	(529)	(446)	(529)	(446)
Interest expense	(121)	(6)	(121)	(6)
Share of results of associate company	0	22	0	22
Loss before taxation	<u>(795)</u>	<u>34</u>	<u>(795)</u>	<u>34</u>
Taxation	0	0	0	0
Loss after taxation	<u><u>(795)</u></u>	<u><u>34</u></u>	<u><u>(795)</u></u>	<u><u>34</u></u>
Profit/(loss) attributable to:				
Equity holders of the company	(879)	34	(879)	34
Non-controlling interest	84	0	84	0
Loss after taxation	<u><u>(795)</u></u>	<u><u>34</u></u>	<u><u>(795)</u></u>	<u><u>34</u></u>
Weighted average number of shares in issue ('000)	580,800	580,800	580,800	580,800
Earnings per share (sen) - basic	(0.15)	0.01	(0.15)	0.01

The unaudited condensed consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	AS AT END OF CURRENT QUARTER 31/3/2015 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2014 (Audited)
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	19,452	19,776
Development Expenditure	107	178
Investment in Associate	216	216
Other investment	1,692	1,346
Goodwill	9,025	9,025
	<u>30,492</u>	<u>30,541</u>
Current Assets		
Inventories	8,534	10,029
Trade and other receivables	17,831	19,095
Amount owing by associate	201	-
Tax recoverable	-	36
Fixed deposits with licensed banks	5,582	4,420
Cash and bank balances	5,920	10,840
	<u>38,068</u>	<u>44,420</u>
TOTAL ASSETS	<u><u>68,560</u></u>	<u><u>74,961</u></u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Issued capital	58,080	58,080
Share premium	10,275	10,275
Accumulated Loss	(31,699)	(30,820)
Warrants reserve	3,775	3,775
	<u>40,431</u>	<u>41,310</u>
Non-controlling interest	135	51
Total Equity	<u>40,566</u>	<u>41,361</u>
Non-current Liability		
Deferred tax liabilities	1,728	1,674
Borrowings	6,571	6,157
	<u>8,299</u>	<u>7,831</u>
Current Liabilities		
Trade and other payables	12,091	17,390
Bank overdrafts	1,831	1,979
Bank borrowings	741	1,071
Tax liabilities	24	321
Contingent consideration	5,008	5,008
	<u>19,695</u>	<u>25,769</u>
Total Liabilities	<u>27,994</u>	<u>33,600</u>
TOTAL EQUITY AND LIABILITIES	<u><u>68,560</u></u>	<u><u>74,961</u></u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.07	0.07

The unaudited condensed consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR FIRST QUARTER ENDED 31 MARCH 2015**

	3-MONTHS ENDED	12-MONTHS ENDED
	31/03/15	31/12/14
	(Unaudited)	(Audited)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(795)	(3,450)
Adjustment for:		
Non-cash items	530	3,431
Non-operating items	66	-241
Operating loss before working capital changes	(199)	(260)
Net changes in current assets	2,558	(2,043)
Net changes in current liabilities	(5,299)	(896)
Cash used in operations	(2,940)	(3,199)
Interest paid	(121)	(132)
Net tax paid	(208)	(384)
Net cash used in operating activities	(3,269)	(3,715)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	55	373
Placement of fixed deposits	(1,046)	(3,203)
Purchase of property, plant and equipment	(134)	(5,281)
Investment in associate	0	(170)
Advance to an associate	0	(2)
Acquisition of subsidiary	0	(7,465)
Purchase of investment	(346)	(1,646)
Net cash used in investing activities	(1,471)	(17,394)
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of hire purchase	(75)	(84)
Repayment of lease financing	(28)	(54)
Proceeds from term loan	0	5,000
Repayment of term loan	(79)	(600)
Net cash (used in)/generated from financing activities	(182)	4,262
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,922)	(16,847)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR	9,011	25,858
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	4,089	9,011
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Fixed deposits with licensed bank	5,582	4,420
Cash and bank balances	5,920	10,840
Bank overdrafts	(1,831)	(1,979)
	9,671	13,281
Less : Fixed deposits pledged	(5,582)	(4,270)
	4,089	9,011

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 2014 and the accompanying explanatory notes attached to this interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR FIRST QUARTER ENDED 31 MARCH 2015**

	Issued Capital	Share Premium	Warrant Reserve	Non-distributable reserve - Reserve on consolidation	Accumulated Loss	Non - Controlling Interest	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as of 1 January 2015	58,080	10,275	3,775	0	(30,820)	51	41,361
Total comprehensive income/(loss) for the period	0	0	0	0	(879)	84	(795)
Balance as of 31 March 2015	<u>58,080</u>	<u>10,275</u>	<u>3,775</u>	<u>0</u>	<u>(31,699)</u>	<u>135</u>	<u>40,566</u>

	Issued Capital	Share Premium	Warrant Reserve	Non-distributable reserve - Reserve on consolidation	Accumulated Loss	Non - Controlling Interest	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as of 1 January 2014	58,080	10,275	3,775	0	(26,538)	(1,105)	44,487
Total comprehensive income/(loss) for the period	0	0	0	0	34	0	34
Balance as of 31 March 2014	<u>58,080</u>	<u>10,275</u>	<u>3,775</u>	<u>0</u>	<u>(26,504)</u>	<u>(1,105)</u>	<u>44,521</u>

The unaudited condensed consolidated Statement of Changes in Equity should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.