

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 FOURTH QUARTER ENDED 31 DECEMBER 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	2014	2013	2014	2013
	CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
	RM'000	RM'000	RM'000	RM'000
REVENUE	22,005	10,051	57,525	22,684
Operating profit	(1,811)	(745)	(2,651)	(1,676)
Other income	229	289	841	762
Interest income	114	162	434	382
Amortisation and depreciation	(560)	(264)	(1,999)	(1,418)
Interest expense	(123)	0	(145)	(421)
Fair value adjustment on investment	(300)	0	(300)	0
Share of results of associate company	(123)	(3)	(114)	(50)
Loss before taxation	<u>(2,574)</u>	<u>(561)</u>	<u>(3,934)</u>	<u>(2,421)</u>
Taxation	(296)	(84)	(315)	(91)
Loss after taxation	<u><u>(2,870)</u></u>	<u><u>(645)</u></u>	<u><u>(4,249)</u></u>	<u><u>(2,512)</u></u>
Profit/(loss) attributable to:				
Equity holders of the company	(3,047)	(652)	(4,592)	(2,511)
Non-controlling interest	177	7	343	(1)
Loss after taxation	<u><u>(2,870)</u></u>	<u><u>(645)</u></u>	<u><u>(4,249)</u></u>	<u><u>(2,512)</u></u>
Weighted average number of shares in issue ('000)	580,800	580,800	580,800	580,800
Earnings per share (sen) - basic	(0.52)	(0.11)	(0.79)	(0.43)

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 2013 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 DECEMBER 2014

	AS AT END OF CURRENT QUARTER 12/31/2014 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 12/31/2013 (Audited)
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	19,104	11,598
Development Expenditure	178	615
Investment in Associate	194	138
Other investment	1,546	-
Goodwill	7,130	-
	28,152	12,351
Current Assets		
Inventories	9,986	545
Trade and other receivables	14,421	16,117
Amount owing by associate	30	-
Tax recoverable	0	28
Fixed deposits with licensed banks	5,467	21,067
Cash and bank balances	10,646	5,858
	40,550	43,615
TOTAL ASSETS	68,702	55,966
EQUITY AND LIABILITIES		
Capital and Reserves		
Issued capital	58,080	58,080
Share premium	10,275	10,275
Accumulated Loss	(31,130)	(26,538)
Warrants reserve	3,775	3,775
	41,000	45,592
Non-controlling interest	63	(1,105)
Total Equity	41,063	44,487
Non-current Liability		
Deferred tax liabilities	1,638	1,724
Borrowings	6,526	125
	8,164	1,849
Current Liabilities		
Trade and other payables	13,598	9,605
Bank overdrafts	1,979	-
Bank borrowings	704	25
Tax liabilities	134	-
Contingent consideration	3,060	-
	19,475	9,630
Total Liabilities	27,639	11,479
TOTAL EQUITY AND LIABILITIES	68,702	55,966
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.07	0.08

The unaudited condensed consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR FOURTH QUARTER ENDED 31 DECEMBER 2014**

	12-MONTHS ENDED 31/12/14 (Unaudited) RM'000	12-MONTHS ENDED 31/12/13 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(3,934)	(2,450)
Adjustment for:		
Non-cash items	3,566	4,480
Non-operating items	(289)	46
Operating profit before working capital changes	(657)	2,076
Net changes in current assets	10,775	(12,491)
Net changes in current liabilities	(12,608)	5,343
Cash used in operations	(2,490)	(5,072)
Interest paid	(145)	(420)
Net tax paid	(351)	(54)
Net cash used in operating activities	(2,986)	(5,546)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	434	374
(Placement)/Uplift of fixed deposits	(4,353)	1,028
Purchase of property, plant and equipment	(5,948)	(75)
Proceeds from disposal of plant and equipment	0	877
Investment in associate	(170)	(1)
Advance to an associate	(30)	(49)
Net cash flow on deemed disposal of subsidiary	(127)	0
Acquisition of subsidiary	(7,465)	0
Purchase of investment	(1,846)	0
Net cash (used in)/generated from investing activities	(19,505)	2,154
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from issuance of shares pursuant to Rights Issue	0	38,720
Share issuance expenses	0	(442)
Repayment to director	0	(2,634)
Repayment of hire purchase	(127)	(30)
Proceeds from lease financing	709	0
Repayment of lease financing	(37)	0
Proceeds from term loan	5,000	0
Repayment of term loan	(95)	(7,065)
Net cash (used in)/generated from financing activities	5,450	28,549
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(17,041)	25,157
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR	25,858	701
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	8,817	25,858
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Fixed deposits with licensed bank	5,467	21,067
Cash and bank balances	10,646	5,858
Bank overdrafts	(1,979)	0
	14,134	26,925
Less : Fixed deposits pledged	(5,317)	(1,067)
	8,817	25,858

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 2013 and the accompanying explanatory notes attached to this interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR FOURTH QUARTER ENDED 31 DECEMBER 2014**

	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	(4,592)	343	(4,249)
Acquisition of subsidiary with non-controlling interest	0	0	0	0	0	825	825
Balance as of 31 December 2014	58,080	10,275	3,775	0	(31,130)	63	41,063

	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 2013	19,360	10,717	0	0	(20,276)	(1,094)	8,707
Issuance of rights share	38,720	0	3,775	0	(3,775)	0	38,720
Share issuance expenses	0	(442)	0	0	0	0	(442)
Total comprehensive income/(loss) for the period	0	0	0	0	(2,487)	(11)	(2,498)
Balance as of 31 December 2013	58,080	10,275	3,775	0	(26,538)	(1,105)	44,487

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 2013 and the accompanying explanatory notes attached to this interim financial statements.