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 SECOND QUARTER ENDED 30 JUNE 2015

	INDIVIDUAL	QUARTER	CUMULATIVE QUARTER		
	2015 CURRENT QUARTER	2014 PRECEDING YEAR CORRESPONDING QUARTER	2015 CURRENT YEAR TO DATE	2014 PRECEDING YEAR CORRESPONDING PERIOD	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014	
	RM'000	RM'000	RM'000	RM'000	
REVENUE	9,378	7,881	20,953	16,482	
Operating profit	(725)	29	(994)	185	
Other income	40	189	109	377	
Interest income	65	119	120	239	
Amortisation and depreciation	(457)	(440)	(986)	(886)	
Interest expense	(118)	(5)	(239)	(11)	
Share of results of associate company	(46)	(2)	(46)	20	
Loss before taxation	(1,241)	(110)	(2,036)	(76)	
Taxation	0	0	0	0	
Loss after taxation	(1,241)	(110)	(2,036)	(76)	
Profit/(loss) attributable to: Equity holders of the company Non-controlling interest Loss after taxation	(2,347) 1,106 (1,241)	(131) 21 (110)	(3,226) 1,190 (2,036)	(97) 21 (76)	
Weighted average number of shares in issue ('000) Earnings per share (sen) - basic	580,800 (0.40)	580,800 (0.02)	580,800 (0.56)	580,800 (0.02)	

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.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION **AS AT 30 JUNE 2015**

ASSETS Non-current Assets Property, Plant and Equipment Development Expenditure On 178 Investment in Associate Other investment Other investme		AS AT END OF CURRENT QUARTER 30/6/2015 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2014 (Audited)
Non-current Assets		,	
Non-current Assets 19,302 19,776 Development Expenditure 0 178 Investment in Associate 170 216 Other investment 1,916 1,346 Goodwill 9,025 9,025 Goodwill 30,413 30,541 Current Assets Inventories 8,474 10,029 Trade and other receivables 14,609 19,095 Amount owing by associate 301 - Fixed deposits with licensed banks 5,809 4,420 Fixed deposits with licensed banks 5,809 4,420 Cash and bank balances 6,066 10,849 Fixed deposits with licensed banks 5,809 4,420 Total Lassets 29,040 5,808 Fixed deposits with licensed banks 5,908 74,961 EQUITY AND LIABILITIES EQUITY AND LIABILITIES EQUITY AND LIABILITIES Capital and Reserves Laste deposits with licensed banks 10,189 10,275	ACCIVITIC		
Property, Plant and Equipment 19,302 19,776 1,			
Development Expenditure		19.302	19.776
Investment in Associate			
Current Assets Superint As		170	216
Current Assets Inventories 8,474 10,029 Trade and other receivables 14,609 19,095 Amount owing by associate 301 - Tax recoverable 246 36 Fixed deposits with licensed banks 5,809 4,420 Cash and bank balances 6,066 10,840 Cash and bank balances 65,918 74,961 EQUITY AND LIABILITIES EQUITY AND LIABILITIES Sasted capital 29,040 58,080 Share premium 10,189 10,275 Accumulated Loss (5,006) (30,820) Warrants reserve 3,775 3,775 Non-controlling interest 1,241 51 Total Equity 39,239 41,361 Non-current Liabilities Deferred tax liabilities 1,674 1,674 Borrowings 6,353 6,157 Bank overdrafts 1,079 1,745 1,979 Bank borrowings 1,079 3,080 Bank borrowings			
Current Assets	Goodwill		
Inventories		30,413	30,541
Inventories	Current Assets		
Amount owing by associate 301 - Tax recoverable 246 36 Fixed deposits with licensed banks 5,809 4,420 Cash and bank balances 6,066 10,840 TOTAL ASSETS 65,918 74,961 EQUITY AND LIABILITIES Section of the property of t		8,474	10,029
Tax recoverable 246 36 Fixed deposits with licensed banks 5,809 4,420 Cash and bank balances 6,066 10,840 TOTAL ASSETS 35,505 44,420 EQUITY AND LIABILITIES EQUITY AND LIABILITIES Equital and Reserves Issued capital 29,040 58,080 Share premium 10,189 10,275 Accumulated Loss (5,006) (30,820) Warrants reserve 3,775 3,775 Accumulated Loss (5,006) (30,820) Warrants reserve 37,998 41,310 Non-controlling interest 1,241 51 Total Equity 39,239 41,361 Non-current Liability Deferred tax liabilities 1,674 1,674 Borrowings 6,353 6,157 Bank overdrafts 10,793 17,831 Current Liabilities 10,793 17,930 Bank overdrafts 1,745 1,979 Bank borrowings	Trade and other receivables		19,095
Fixed deposits with licensed banks Cash and bank balances 5,809 (10,840) 4,420 (10,840) Cash and bank balances 35,505 44,420 TOTAL ASSETS 65,918 74,961 EQUITY AND LIABILITIES Expued capital Premium Share premium 10,189 (10,275) 29,040 (10,808) 58,080 (10,808) Share premium 10,189 (10,275) 3,775 (10,606) (10,802) 30,820) Warrants reserve 3,775 (10,606) (10,802) 37,998 (14,310) 41,310 Non-controlling interest 1,241 (10,104) 51 51 Total Equity 5 1,241 (10,104) 51 Non-current Liabilities 1,674 (10,104) 1,674 (10,104) 1,674 (10,104) Borrowings 6,333 (1,57) 3,533 (1,57) 1,574 (10,104) Current Liabilities 1,745 (10,104) 1,079 (10,104) 1,079 (10,104) Current Liabilities 1,745 (10,104) 1,079 (10,104) 1,079 (10,104) Current Liabilities 1,745 (10,104) 1,079 (10,104) 1,079 (10,104) 1,079 (10,104) 1,079 (10,104) 1,079 (10,104) 1,079 (10,104) 1,079 (10,104) 1,079 (10,104) 1,079 (10,104)			-
Cash and bank balances 6,066 10,840 35,505 44,420 TOTAL ASSETS 65,918 74,961 EQUITY AND LIABILITIES Capital and Reserves Issued capital 29,040 58,080 Share premium 10,189 10,275 Accumulated Loss (5,006) (30,820) Warrants reserve 3,775 3,725 3,725 3,725 3,725 3			
TOTAL ASSETS 44,420 EQUITY AND LIABILITIES Capital and Reserves Security and the payables of the			
EQUITY AND LIABILITIES Capital and Reserves Section of the payables o	Cash and Dank Daidness		
EQUITY AND LIABILITIES Capital and Reserves Issued capital 29,040 58,080 Share premium 10,189 10,275 Accumulated Loss (5,006) (30,820) Warrants reserve 3,775 3,775 Non-controlling interest 1,241 51 Total Equity 39,239 41,361 Non-current Liability Deferred tax liabilities 1,674 1,674 Borrowings 6,353 6,157 8,027 7,831 1 Current Liabilities 10,793 17,390 Bank overdrafts 1,745 1,979 Bank overdrafts 1,745 1,979 Bank borrowings 1,06 1,071 Tax liabilities 0 321 Contingent consideration 5,008 5,008 Total Liabilities 26,679 33,600 Total Liabilities 65,918 74,961			
EQUITY AND LIABILITIES Capital and Reserves Issued capital 29,040 58,080 Share premium 10,189 10,275 Accumulated Loss (5,006) (30,820) Warrants reserve 3,775 3,775 Non-controlling interest 1,241 51 Total Equity 39,239 41,361 Non-current Liability Deferred tax liabilities 1,674 1,674 Borrowings 6,353 6,157 8,027 7,831 1 Current Liabilities 10,793 17,390 Bank overdrafts 1,745 1,979 Bank overdrafts 1,745 1,979 Bank borrowings 1,06 1,071 Tax liabilities 0 321 Contingent consideration 5,008 5,008 Total Liabilities 26,679 33,600 Total Liabilities 65,918 74,961	TOTAL ACCEPTO	<u> </u>	
Capital and Reserves Issued capital 29,040 58,080 Share premium 10,189 10,275 Accumulated Loss (5,006) (30,820) Warrants reserve 3,775 3,775 Non-controlling interest 1,241 51 Total Equity 39,239 41,361 Non-current Liability \$39,239 41,361 Non-current Liabilities 1,674 1,674 Borrowings 6,353 6,157 Ago and other payables 10,793 17,390 Bank overdrafts 1,745 1,979 Bank borrowings 1,106 1,071 Tax liabilities 0 321 Contingent consideration 5,008 5,008 Total Liabilities 26,679 33,600 Total Liabilities 65,918 74,961 Net assets per share attributable to ordinary	TOTAL ASSETS	65,918	74,961
Capital and Reserves Issued capital 29,040 58,080 Share premium 10,189 10,275 Accumulated Loss (5,006) (30,820) Warrants reserve 3,775 3,775 Non-controlling interest 1,241 51 Total Equity 39,239 41,361 Non-current Liability \$39,239 41,361 Non-current Liabilities 1,674 1,674 Borrowings 6,353 6,157 Ago and other payables 10,793 17,390 Bank overdrafts 1,745 1,979 Bank borrowings 1,106 1,071 Tax liabilities 0 321 Contingent consideration 5,008 5,008 Total Liabilities 26,679 33,600 Total Liabilities 65,918 74,961 Net assets per share attributable to ordinary	EOUITY AND LIABILITIES		
Share premium 10,189 10,275 Accumulated Loss (5,006) (30,820) Warrants reserve 3,775 3,775 37,998 41,310 Non-controlling interest 1,241 51 Total Equity 39,239 41,361 Non-current Liability Deferred tax liabilities 1,674 1,674 Borrowings 6,353 6,157 8,027 7,831 Current Liabilities Trade and other payables 10,793 17,390 Bank overdrafts 1,745 1,979 Bank borrowings 1,106 1,071 Tax liabilities 0 321 Contingent consideration 5,008 5,008 Total Liabilities 26,679 33,600 Total Liabilities 26,679 33,600 Net assets per share attributable to ordinary	-		
Accumulated Loss (5,006) (30,820) Warrants reserve 3,775 3,775 Non-controlling interest 1,241 5.5 Total Equity 39,239 41,361 Non-current Liability Deferred tax liabilities 1,674 1,674 Borrowings 6,353 6,157 8,027 7,831 7,831 Current Liabilities Trade and other payables 10,793 17,390 Bank overdrafts 1,745 1,979 Bank borrowings 1,106 1,071 Tax liabilities 0 321 Contingent consideration 5,008 5,008 Total Liabilities 26,679 33,600 TOTAL EQUITY AND LIABILITIES 65,918 74,961	Issued capital	29,040	58,080
Warrants reserve 3,775 3,775 Non-controlling interest 1,241 51 Total Equity 39,239 41,361 Non-current Liability Value 39,239 41,361 Non-current Liabilities 1,674			
Non-controlling interest 37,998 41,310 Total Equity 39,239 41,361 Non-current Liability 5 41,674 1,674 1,674 1,674 1,674 1,674 1,674 1,674 1,674 1,674 1,674 1,674 1,675 1,675 1,783 1,783 1,783 1,789 1,789 1,979 3,21 1,979 2,979 3,980 3,980 3,980 3,980 3,980 3,980 3,980 3,980 3,980 3,980 3,980 3,980 3,980 3,980			
Non-controlling interest 1,241 51 Total Equity 39,239 41,361 Non-current Liability Deferred tax liabilities 1,674 1,674 Borrowings 6,353 6,157 8,027 7,831 Current Liabilities Trade and other payables 10,793 17,390 Bank overdrafts 1,745 1,979 Bank borrowings 1,106 1,071 Tax liabilities 0 321 Contingent consideration 5,008 5,008 Total Liabilities 26,679 33,600 Total Liabilities 65,918 74,961 Net assets per share attributable to ordinary	warrants reserve	·	
Non-current Liability Jeferred tax liabilities 1,674 1,674 1,674 1,674 1,674 1,674 1,674 1,674 1,674 8,027 7,831 Current Liabilities Trade and other payables 10,793 17,390 Bank overdrafts 1,745 1,979 Bank borrowings 1,106 1,071 Tax liabilities 0 321 Contingent consideration 5,008 5	Non-controlling interest		
Non-current Liability Deferred tax liabilities 1,674 1,674 Borrowings 6,353 6,157 8,027 7,831 Current Liabilities Trade and other payables 10,793 17,390 Bank overdrafts 1,745 1,979 Bank borrowings 1,106 1,071 Tax liabilities 0 321 Contingent consideration 5,008 5,008 Total Liabilities 26,679 33,600 TOTAL EQUITY AND LIABILITIES 65,918 74,961 Net assets per share attributable to ordinary	_		
Deferred tax liabilities 1,674 1,674 Borrowings 6,353 6,157 8,027 7,831 Current Liabilities Trade and other payables 10,793 17,390 Bank overdrafts 1,745 1,979 Bank borrowings 1,106 1,071 Tax liabilities 0 321 Contingent consideration 5,008 5,008 Total Liabilities 26,679 33,600 TOTAL EQUITY AND LIABILITIES 65,918 74,961 Net assets per share attributable to ordinary	• •		· · · · · · · · · · · · · · · · · · ·
Borrowings 6,353 8,027 6,157 7,831 Current Liabilities 3 1,7490 Trade and other payables 10,793 1,745 1,979 1,745 1,979 Bank borrowings 1,106 1,071 1,071 Tax liabilities 0 321 5,008 5,008 Contingent consideration 5,008 18,652 5,008 Total Liabilities 26,679 33,600 33,600 TOTAL EQUITY AND LIABILITIES 65,918 74,961			
Current Liabilities Trade and other payables 10,793 17,390 Bank overdrafts 1,745 1,979 Bank borrowings 1,106 1,071 Tax liabilities 0 321 Contingent consideration 5,008 5,008 Total Liabilities 26,679 33,600 TOTAL EQUITY AND LIABILITIES 65,918 74,961 Net assets per share attributable to ordinary			
Current Liabilities Trade and other payables 10,793 17,390 Bank overdrafts 1,745 1,979 Bank borrowings 1,106 1,071 Tax liabilities 0 321 Contingent consideration 5,008 5,008 Total Liabilities 26,679 33,600 TOTAL EQUITY AND LIABILITIES 65,918 74,961 Net assets per share attributable to ordinary	Borrowings		
Trade and other payables 10,793 17,390 Bank overdrafts 1,745 1,979 Bank borrowings 1,106 1,071 Tax liabilities 0 321 Contingent consideration 5,008 5,008 Total Liabilities 26,679 33,600 TOTAL EQUITY AND LIABILITIES 65,918 74,961 Net assets per share attributable to ordinary			7,031
Bank overdrafts 1,745 1,979 Bank borrowings 1,106 1,071 Tax liabilities 0 321 Contingent consideration 5,008 5,008 Total Liabilities 26,679 33,600 TOTAL EQUITY AND LIABILITIES 65,918 74,961 Net assets per share attributable to ordinary	Current Liabilities		
Bank borrowings 1,106 1,071 Tax liabilities 0 321 Contingent consideration 5,008 5,008 Total Liabilities 26,679 33,600 TOTAL EQUITY AND LIABILITIES 65,918 74,961 Net assets per share attributable to ordinary			
Tax liabilities 0 321 Contingent consideration 5,008 5,008 18,652 25,769 Total Liabilities 26,679 33,600 TOTAL EQUITY AND LIABILITIES 65,918 74,961 Net assets per share attributable to ordinary			
Contingent consideration 5,008 5,008 18,652 25,769 Total Liabilities 26,679 33,600 TOTAL EQUITY AND LIABILITIES 65,918 74,961 Net assets per share attributable to ordinary			
Total Liabilities 26,679 33,600 TOTAL EQUITY AND LIABILITIES 65,918 74,961 Net assets per share attributable to ordinary			
TOTAL EQUITY AND LIABILITIES 65,918 74,961 Net assets per share attributable to ordinary	contingent consideration	122222222222222222222	
TOTAL EQUITY AND LIABILITIES 65,918 74,961 Net assets per share attributable to ordinary	Total Liabilities	26 679	33 600
Net assets per share attributable to ordinary			
	TOTAL EQUITY AND LIABILITIES	65,918	74,961
	Net assets per share attributable to ordinary		
		0.07	0.07

The unaudited condensed consolidated Balance Sheet should be read in conjuction 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.

KEY ALLIANCE GROUP BERHAD (609953-K)

(FORMERLY KNOWN AS DVM TECHNOLOGY BERHAD)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR SECOND QUARTER ENDED 30 JUNE 2015

CASH FLOWS FROM OPERATING ACTIVITIES Loss before tax Adjustment for: Non-cash items Non-operating items Operating loss before working capital changes Net changes in current assets Net changes in current liabilities Cash used in operations Interest paid Net tax paid	(2,036) 1,232 119 (685) 5,740 (6,597) (1,542) (239) (529) (2,310)	(3,450) 3,431 -241 (260) (2,043) (896) (3,199) (132) (384) (3,715)
Adjustment for: Non-cash items Non-operating items Operating loss before working capital changes Net changes in current assets Net changes in current liabilities Cash used in operations Interest paid	1,232 119 (685) 5,740 (6,597) (1,542) (239) (529) (2,310)	3,431 -241 (260) (2,043) (896) (3,199) (132) (384)
Non-cash items Non-operating items Operating loss before working capital changes Net changes in current assets Net changes in current liabilities Cash used in operations Interest paid	(685) 5,740 (6,597) (1,542) (239) (529) (2,310)	-241 (260) (2,043) (896) (3,199) (132) (384)
Operating loss before working capital changes Net changes in current assets Net changes in current liabilities Cash used in operations Interest paid	(685) 5,740 (6,597) (1,542) (239) (529) (2,310)	-241 (260) (2,043) (896) (3,199) (132) (384)
Net changes in current assets Net changes in current liabilities Cash used in operations Interest paid	5,740 (6,597) (1,542) (239) (529) (2,310)	(2,043) (896) (3,199) (132) (384)
Net changes in current assets Net changes in current liabilities Cash used in operations Interest paid	5,740 (6,597) (1,542) (239) (529) (2,310)	(2,043) (896) (3,199) (132) (384)
Cash used in operations Interest paid	(1,542) (239) (529) (2,310)	(3,199) (132) (384)
Interest paid	(239) (529) (2,310)	(132) (384)
•	(529)	(384)
Net tax paid	(2,310)	
		(3,715)
Net cash used in operating activities		
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	120	373
Placement of fixed deposits	(1,273)	(3,203)
Purchase of property, plant and equipment	(540)	(5,281)
Investment in associate Advance to an associate	0	(170) (2)
Acquisition of subsidiary	0	(7,465)
Purchase of investment	(570)	(1,646)
Net cash used in investing activities	(2,263)	(17,394)
CASH FLOWS FOR FINANCING ACTIVITIES		
Share issuance expenses	(86)	0
Repayment of hire purchase	(150)	(84)
Proceeds from lease financing	0	0
Repayment of lease financing	(69)	(54)
Proceeds from term loan	0	5,000
Repayment of term loan Proceeds from trade line	(177) 365	(600) 0
Net cash (used in)/generated from financing activities	(117)	4,262
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,690)	(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	4,321	9,011
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Fixed deposits with licensed bank	5,809	4,420
Cash and bank balances	6,066	10,840
Bank overdrafts	(1,745)	(1,979)
	10,130	13,281
Less : Fixed deposits pledged	(5,809)	(4,270)
	4,321	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.

KEY ALLIANCE GROUP BERHAD (609953-K)

(FORMERLY KNOWN AS DVM TECHNOLOGY BERHAD)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR SECOND QUARTER ENDED 30 JUNE 2015

Non-distributable

	Non-distributable						
				reserve -		Non -	
	Issued	Share	Warrant	Reserve on	Accumulated	Controlling	
	Capital	Premium	Reserve	consolidation	Loss	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	(3,226)	1,190	(2,036)
Par value reduction	(29,040)	(86)	0	0	29,040	0	(86)
Balance as of 30 June 2015	29,040	10,189	3,775	0	(5,006)	1,241	39,239

	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	(97)	21	(76)
Acquisition of subsidiary with non-controlling interest	0	0	0	0	0	825	825
Balance as of 30 June 2014	58,080	10,275	3,775	0	(26,635)	(259)	45,236

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.