

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 THIRD QUARTER ENDED 30 SEPTEMBER 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	2014	2013	2014	2013
	CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	<u>30/09/2014</u>	<u>30/09/2013</u>	<u>30/09/2014</u>	<u>30/09/2013</u>
	RM'000	RM'000	RM'000	RM'000
REVENUE	19,038	7,823	35,520	12,633
Operating profit	(1,025)	72	(840)	(932)
Other income	235	158	612	473
Interest income	81	189	320	220
Amortisation and depreciation	(553)	(216)	(1,439)	(1,154)
Interest expense	(11)	(135)	(22)	(421)
Share of results of associate company	(11)	(16)	9	(47)
Profit/(loss) before taxation	(1,284)	52	(1,360)	(1,861)
Taxation	(19)	(7)	(19)	(7)
Profit/(loss) after taxation	(1,303)	45	(1,379)	(1,868)
Profit/(loss) attributable to:				
Equity holders of the company	(1,448)	51	(1,545)	(1,860)
Non-controlling interest	145	(6)	166	(8)
Profit/(loss) after taxation	(1,303)	45	(1,379)	(1,868)
Weighted average number of shares in issue ('000)	580,800	193,600	580,800	193,600
Earnings per share (sen) - basic	(0.25)	0.03	(0.27)	(0.96)

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 30 SEPTEMBER 2014

	AS AT END OF CURRENT QUARTER 9/30/2014 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 12/31/2013 (Audited)
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	17,655	11,598
Development Expenditure	266	615
Investment in Associate	147	138
Other investment	1,846	-
Goodwill	2,826	-
	22,740	12,351
Current Assets		
Inventories	5,422	545
Trade and other receivables	28,876	16,117
Amount owing by associate	30	-
Tax recoverable	309	28
Fixed deposits with licensed banks	1,552	21,067
Cash and bank balances	18,026	5,858
	54,215	43,615
TOTAL ASSETS	76,955	55,966
EQUITY AND LIABILITIES		
Capital and Reserves		
Issued capital	58,080	58,080
Share premium	10,275	10,275
Accumulated Loss	(28,083)	(26,538)
Warrants reserve	3,775	3,775
	44,047	45,592
Non-controlling interest	(114)	(1,105)
Total Equity	43,933	44,487
Non-current Liability		
Deferred tax liabilities	1,899	1,724
Borrowings	5,928	125
	7,827	1,849
Current Liabilities		
Trade and other payables	21,420	9,605
Bank borrowings	715	25
Contingent consideration	3,060	0
	25,195	9,630
Total Liabilities	33,022	11,479
TOTAL EQUITY AND LIABILITIES	76,955	55,966
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.08	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 THIRD QUARTER ENDED 30 SEPTEMBER 2014**

	9-MONTHS ENDED 30/09/14 (Unaudited) RM'000	12-MONTHS ENDED 31/12/13 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(1,360)	(2,450)
Adjustment for:		
Non-cash items	2,010	4,480
Non-operating items	(298)	46
Operating profit before working capital changes	352	2,076
Net changes in current assets	(7,284)	(12,491)
Net changes in current liabilities	1,380	5,343
Cash used in operations	(5,552)	(5,072)
Interest paid	(22)	(420)
Net tax paid	(181)	(54)
Net cash used in operating activities	(5,755)	(5,546)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	320	374
(Placement)/Uplift of fixed deposits	(457)	1,028
Purchase of property, plant and equipment	(4,735)	(75)
Proceeds from disposal of plant and equipment	0	877
Investment in Associate	0	(1)
Advance to an associate	(30)	(49)
Net cash flow on deemed disposal of subsidiary	(127)	0
Acquisition of subsidiary	(544)	0
Purchase of investment	(1,846)	0
Net cash (used in)/generated from investing activities	(7,419)	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	(67)	(30)
Proceeds from lease financing	709	0
Proceeds from term loan	5,000	0
Repayment of term loan	0	(7,065)
Net cash (used in)/generated from financing activities	5,642	28,549
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(7,532)	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	18,326	25,858
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Fixed deposits with licensed bank	1,552	21,067
Cash and bank balances	18,026	5,858
	19,578	26,925
Less : Fixed deposits pledged	(1,252)	(1,067)
	18,326	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 THIRD QUARTER ENDED 30 SEPTEMBER 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	(1,545)	166	(1,379)
Acquisition of subsidiary with non-controlling interest	0	0	0	0	0	825	825
Balance as of 30 September 2014	58,080	10,275	3,775	0	(28,083)	(114)	43,933

	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	(1,860)	(8)	(1,868)
Balance as of 30 September 2013	58,080	10,275	3,775	0	(25,911)	(1,102)	45,117

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.