

**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	2014	2015	2014
	CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	<u>30/06/2015</u>	<u>30/06/2014</u>	<u>30/06/2015</u>	<u>30/06/2014</u>
	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
<b>Loss before taxation</b>	<u>(1,241)</u>	<u>(110)</u>	<u>(2,036)</u>	<u>(76)</u>
Taxation	0	0	0	0
<b>Loss after taxation</b>	<u><u>(1,241)</u></u>	<u><u>(110)</u></u>	<u><u>(2,036)</u></u>	<u><u>(76)</u></u>
<b>Profit/(loss) attributable to:</b>				
Equity holders of the company	(2,347)	(131)	(3,226)	(97)
Non-controlling interest	1,106	21	1,190	21
<b>Loss after taxation</b>	<u><u>(1,241)</u></u>	<u><u>(110)</u></u>	<u><u>(2,036)</u></u>	<u><u>(76)</u></u>
Weighted average number of shares in issue ('000)	580,800	580,800	580,800	580,800
Earnings per share (sen) - basic	(0.40)	(0.02)	(0.56)	(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.

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

	<b>AS AT END OF CURRENT QUARTER 30/6/2015 (Unaudited)</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2014 (Audited)</b>
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	19,302	19,776
Development Expenditure	0	178
Investment in Associate	170	216
Other investment	1,916	1,346
Goodwill	9,025	9,025
	<b>30,413</b>	<b>30,541</b>
<b>Current Assets</b>		
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
	<b>35,505</b>	<b>44,420</b>
<b>TOTAL ASSETS</b>	<b>65,918</b>	<b>74,961</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Issued capital	29,040	58,080
Share premium	10,189	10,275
Accumulated Loss	(5,006)	(30,820)
Warrants reserve	3,775	3,775
	<b>37,998</b>	<b>41,310</b>
Non-controlling interest	1,241	51
<b>Total Equity</b>	<b>39,239</b>	<b>41,361</b>
<b>Non-current Liability</b>		
Deferred tax liabilities	1,674	1,674
Borrowings	6,353	6,157
	<b>8,027</b>	<b>7,831</b>
<b>Current Liabilities</b>		
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
	<b>18,652</b>	<b>25,769</b>
<b>Total Liabilities</b>	<b>26,679</b>	<b>33,600</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>65,918</b>	<b>74,961</b>
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 SECOND QUARTER ENDED 30 JUNE 2015**

	<b>6-MONTHS ENDED 30/06/15 (Unaudited) RM'000</b>	<b>12-MONTHS ENDED 31/12/14 (Audited) RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(2,036)	(3,450)
Adjustment for:		
Non-cash items	1,232	3,431
Non-operating items	119	-241
<b>Operating loss before working capital changes</b>	<b>(685)</b>	<b>(260)</b>
Net changes in current assets	5,740	(2,043)
Net changes in current liabilities	(6,597)	(896)
<b>Cash used in operations</b>	<b>(1,542)</b>	<b>(3,199)</b>
Interest paid	(239)	(132)
Net tax paid	(529)	(384)
<b>Net cash used in operating activities</b>	<b>(2,310)</b>	<b>(3,715)</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	120	373
Placement of fixed deposits	(1,273)	(3,203)
Purchase of property, plant and equipment	(540)	(5,281)
Investment in associate	0	(170)
Advance to an associate	0	(2)
Acquisition of subsidiary	0	(7,465)
Purchase of investment	(570)	(1,646)
<b>Net cash used in investing activities</b>	<b>(2,263)</b>	<b>(17,394)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
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	(177)	(600)
Proceeds from trade line	365	0
<b>Net cash (used in)/generated from financing activities</b>	<b>(117)</b>	<b>4,262</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(4,690)</b>	<b>(16,847)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR</b>	<b>9,011</b>	<b>25,858</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR</b>	<b>4,321</b>	<b>9,011</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE OF:</b>		
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)
	<b>4,321</b>	<b>9,011</b>

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 SECOND QUARTER ENDED 30 JUNE 2015**

	<b>Issued Capital</b>	<b>Share Premium</b>	<b>Warrant Reserve</b>	<b>Non-distributable reserve - Reserve on consolidation</b>	<b>Accumulated Loss</b>	<b>Non - Controlling Interest</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as of 1 January 2015</b>	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)
<b>Balance as of 30 June 2015</b>	<b>29,040</b>	<b>10,189</b>	<b>3,775</b>	<b>0</b>	<b>(5,006)</b>	<b>1,241</b>	<b>39,239</b>

	<b>Issued Capital</b>	<b>Share Premium</b>	<b>Warrant Reserve</b>	<b>Non-distributable reserve - Reserve on consolidation</b>	<b>Accumulated Loss</b>	<b>Non - Controlling Interest</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as of 1 January 2014</b>	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
<b>Balance as of 30 June 2014</b>	<b>58,080</b>	<b>10,275</b>	<b>3,775</b>	<b>0</b>	<b>(26,635)</b>	<b>(259)</b>	<b>45,236</b>

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.