



KEY ALLIANCE GROUP BERHAD (609953-K)  
(Incorporated in Malaysia)  
FIRST QUARTER ENDED 31 MARCH 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	2016	2015	2016	2015
	CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	RM'000	RM'000	RM'000	RM'000
REVENUE	7,713	22,005	7,713	22,005
Operating profit	(1,025)	(269)	(1,025)	(269)
Other income	160	69	160	69
Interest income	54	55	54	55
Amortisation and depreciation	(388)	(529)	(388)	(529)
Interest expense	(128)	(121)	(128)	(121)
<b>Loss before taxation</b>	<b>(1,327)</b>	<b>(795)</b>	<b>(1,327)</b>	<b>(795)</b>
Taxation	0	0	0	0
<b>Loss after taxation</b>	<b>(1,327)</b>	<b>(795)</b>	<b>(1,327)</b>	<b>(795)</b>
<b>Profit/(loss) attributable to:</b>				
Equity holders of the company	(1,439)	(879)	(1,439)	(879)
Non-controlling interest	112	84	112	84
<b>Loss after taxation</b>	<b>(1,327)</b>	<b>(795)</b>	<b>(1,327)</b>	<b>(795)</b>
Weighted average number of shares in issue ('000)	629,945	580,800	629,945	580,800
Earnings per share (sen) - basic	(0.23)	(0.15)	(0.23)	(0.15)

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 2015 and the accompanying explanatory notes attached to this interim financial statements.



**KEY ALLIANCE GROUP BERHAD (609953-K)**  
(Incorporated in Malaysia)  
FIRST QUARTER ENDED 31 MARCH 2016

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AS AT END OF CURRENT QUARTER 31/3/2016 (Unaudited) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2015 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	23,910	21,268
Other investment	2,427	2,427
Goodwill	8,375	8,375
	<b>34,712</b>	<b>32,070</b>
<b>Current Assets</b>		
Inventories	6,989	6,773
Trade and other receivables	17,878	17,601
Amount owing by associate	27	-
Tax recoverable	308	186
Fixed deposits with licensed banks	5,812	5,668
Cash and bank balances	2,263	2,508
	<b>33,277</b>	<b>32,736</b>
<b>TOTAL ASSETS</b>	<b>67,989</b>	<b>64,806</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Issued capital	31,944	29,040
Share premium	9,659	10,087
Accumulated Loss	(12,422)	(10,983)
Share option reserve	1,053	1,053
Warrants reserve	3,775	3,775
	<b>34,009</b>	<b>32,972</b>
Non-controlling interest	1,434	1,322
<b>Total Equity</b>	<b>35,443</b>	<b>34,294</b>
<b>Non-current Liability</b>		
Deferred tax liabilities	1,615	1,615
Borrowings	6,054	6,302
	<b>7,669</b>	<b>7,917</b>
<b>Current Liabilities</b>		
Trade and other payables	16,213	14,084
Bank overdrafts	1,880	1,963
Bank borrowings	1,776	1,540
Contingent consideration	5,008	5,008
	<b>24,877</b>	<b>22,595</b>
<b>Total Liabilities</b>	<b>32,546</b>	<b>30,512</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>67,989</b>	<b>64,806</b>

Net assets per share attributable to ordinary equity holders of the parent (RM)

0.05                      0.06

The unaudited condensed consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial statements.



KEY ALLIANCE GROUP BERHAD (609953-K)  
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FIRST QUARTER ENDED 31 MARCH 2016

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3-MONTHS ENDED 31/03/16 (Unaudited) RM'000	12-MONTHS ENDED 31/12/15 (Audited) RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(1,327)	(7,707)
Adjustment for:		
Non-cash items	543	4,863
Non-operating items	74	263
<b>Operating loss before working capital changes</b>	<b>(710)</b>	<b>(2,581)</b>
Net changes in current assets	(493)	(211)
Net changes in current liabilities	2,129	1,155
<b>Cash used in operations</b>	<b>926</b>	<b>(1,637)</b>
Interest paid	(128)	(512)
Net tax paid	(118)	(756)
<b>Net cash used in operating activities</b>	<b>680</b>	<b>(2,905)</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	54	249
Placement of fixed deposits	(144)	(1,398)
Purchase of property, plant and equipment	(3,212)	(2,291)
Proceeds from disposal of plant and equipment	22	3
Investment in associate	0	0
Advance to an associate	(27)	(163)
Net cash flow on deemed disposal of subsidiary	0	(6)
Acquisition of subsidiary	0	0
Purchase of investment	0	(1,271)
<b>Net cash used in investing activities</b>	<b>(3,307)</b>	<b>(4,877)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares pursuant to private placement	2,904	-
Share issuance expenses	(428)	(188)
Repayment of finance lease liabilities	(146)	(463)
Proceeds from term loan	0	0
Repayment of term loan	(102)	(378)
Proceeds from bill payables	237	345
<b>Net cash (used in)/generated from financing activities</b>	<b>2,465</b>	<b>(684)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(162)</b>	<b>(8,466)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR</b>	<b>545</b>	<b>9,011</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR</b>	<b>383</b>	<b>545</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE OF:</b>		
Fixed deposits with licensed bank	5,812	5,668
Cash and bank balances	2,263	2,508
Bank overdrafts	(1,880)	(1,963)
	6,195	6,213
Less : Fixed deposits pledged	(5,812)	(5,668)
	<b>383</b>	<b>545</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 2015 and the accompanying explanatory notes attached to this interim financial statements.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Issued Capital</b>	<b>Share Premium</b>	<b>Warrant Reserve</b>	<b>Share Option Reserve</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 2016</b>	29,040	10,087	3,775	1,053	(10,983)	1,322	34,294
Total comprehensive income/(loss) for the period	0	0	0	0	(1,439)	112	(1,327)
Share issuance in relation to private placement	2,904	(428)	0	0	0	0	2,476
<b>Balance as of 31 March 2016</b>	<b>31,944</b>	<b>9,659</b>	<b>3,775</b>	<b>1,053</b>	<b>(12,422)</b>	<b>1,434</b>	<b>35,443</b>

	<b>Issued Capital</b>	<b>Share Premium</b>	<b>Warrant Reserve</b>	<b>Capital Reserve</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	(879)	84	(795)
<b>Balance as of 31 March 2015</b>	<b>58,080</b>	<b>10,275</b>	<b>3,775</b>	<b>0</b>	<b>(31,699)</b>	<b>135</b>	<b>40,566</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 2015 and the accompanying explanatory notes attached to this interim financial statements.