



KEY ALLIANCE GROUP BERHAD (609953-K)
(Incorporated in Malaysia)
THIRD QUARTER ENDED 30 SEPTEMBER 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
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	RM'000	RM'000	RM'000	RM'000
REVENUE	5,410	8,576	19,509	29,529
Operating profit	(1,290)	(1,019)	(4,009)	(2,013)
Other income	82	61	294	170
Interest income	45	67	147	187
Amortisation and depreciation	(383)	(449)	(1,158)	(1,435)
Interest expense	(142)	(125)	(400)	(364)
Share of results of associate company	0	0	0	(46)
Loss before taxation	(1,688)	(1,465)	(5,126)	(3,501)
Taxation	0	(23)	0	(23)
Loss after taxation	(1,688)	(1,488)	(5,126)	(3,524)
Profit/(loss) attributable to:				
Equity holders of the company	(1,724)	(1,752)	(5,051)	(4,978)
Non-controlling interest	36	264	(75)	1,454
Loss after taxation	(1,688)	(1,488)	(5,126)	(3,524)
Weighted average number of shares in issue ('000)	690,753	580,800	690,753	580,800
Earnings per share (sen) - basic	(0.25)	(0.30)	(0.73)	(0.86)

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)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 9/30/2016 (Unaudited) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 12/31/2015 (Audited) RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	26,285	21,268
Other investment	2,131	2,427
Goodwill	8,375	8,375
	36,791	32,070
Current Assets		
Inventories	7,666	6,773
Trade and other receivables	16,425	17,601
Amount owing by associate	66	-
Tax recoverable	521	186
Fixed deposits with licensed banks	5,902	5,668
Cash and bank balances	1,072	2,508
	31,652	32,736
TOTAL ASSETS	68,443	64,806
EQUITY AND LIABILITIES		
Capital and Reserves		
Issued capital	36,953	29,040
Share premium	9,554	10,087
Accumulated Loss	(16,034)	(10,983)
Share option reserve	1,053	1,053
Warrants reserve	3,775	3,775
	35,301	32,972
Non-controlling interest	1,247	1,322
Total Equity	36,548	34,294
Non-current Liability		
Deferred tax liabilities	1,615	1,615
Borrowings	7,150	6,302
	8,765	7,917
Current Liabilities		
Trade and other payables	19,278	14,084
Bank overdrafts	2,260	1,963
Bank borrowings	1,592	1,540
Contingent consideration	0	5,008
	23,130	22,595
Total Liabilities	31,895	30,512
TOTAL EQUITY AND LIABILITIES	68,443	64,806

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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THIRD QUARTER ENDED 30 SEPTEMBER 2016

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	9-MONTHS ENDED 30/09/16 (Unaudited) RM'000	12-MONTHS ENDED 31/12/15 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(5,126)	(7,707)
Adjustment for:		
Non-cash items	1,858	4,863
Non-operating items	253	263
Operating loss before working capital changes	(3,015)	(2,581)
Net changes in current assets	283	(211)
Net changes in current liabilities	5,194	1,155
Cash used in operations	2,462	(1,637)
Interest paid	(400)	(512)
Net tax paid	(330)	(756)
Net cash used in operating activities	1,732	(2,905)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	147	249
Placement of fixed deposits	(234)	(1,398)
Purchase of property, plant and equipment	(5,034)	(2,291)
Proceeds from disposal of plant and equipment	22	3
Investment in associate	0	0
Advance to an associate	(66)	(163)
Net cash flow on deemed disposal of subsidiary	0	(6)
Acquisition of subsidiary	0	0
Purchase of investment	296	(1,271)
Net cash used in investing activities	(4,869)	(4,877)
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from issuance of shares pursuant to private placement	2,904	-
Share issuance expenses	(533)	(188)
Repayment of finance lease liabilities	(530)	(463)
Proceeds from term loan	0	0
Repayment of term loan	(308)	(378)
Proceeds from bill payables	(129)	345
Net cash (used in)/generated from financing activities	1,404	(684)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,733)	(8,466)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR	545	9,011
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	(1,188)	545
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Fixed deposits with licensed bank	5,902	5,668
Cash and bank balances	1,072	2,508
Bank overdrafts	(2,260)	(1,963)
	4,714	6,213
Less : Fixed deposits pledged	(5,902)	(5,668)
	(1,188)	545

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.



KEY ALLIANCE GROUP BERHAD (609953-K)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Share Premium	Warrant Reserve	Share Option Reserve	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 2016	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	(5,051)	(75)	(5,126)
Share issuance	7,913	(533)	0	0	0	0	7,380
Balance as of 30 September 2016	36,953	9,554	3,775	1,053	(16,034)	1,247	36,548

	Issued Capital	Share Premium	Warrant Reserve	Capital Reserve	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 2015	58,080	10,275	3,775	0	(30,820)	51	41,361
Total comprehensive income/(loss) for the period	0	0	0	0	(4,978)	1,454	(3,524)
Par value reduction	(29,040)	(188)	0	0	29,040	0	(188)
Balance as of 30 September 2015	29,040	10,087	3,775	0	(6,758)	1,505	37,649

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.