



**KEY ALLIANCE GROUP BERHAD (609953-K)**  
(Incorporated in Malaysia)  
FIRST QUARTER ENDED 30 JUNE 2018

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

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	2018	2017	Changes	2018	2017	Changes
	CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER		CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	
	30/06/2018	30/06/2017	%	30/06/2018	30/06/2017	%
	RM'000	RM'000		RM'000	RM'000	
REVENUE	9,460	6,474	46%	9,460	6,474	46%
Operating expenses	(3,412)	(8,715)	-61%	(3,412)	(8,715)	-61%
Other income	137	65	111%	137	65	111%
Interest income	22	102	-78%	22	102	-78%
Interest expense	(50)	(137)	-64%	(50)	(137)	-64%
<b>Profit/(Loss) before taxation</b>	<b>(3,303)</b>	<b>(8,685)</b>	<b>-62%</b>	<b>(3,303)</b>	<b>(8,685)</b>	<b>-62%</b>
Taxation	0	0	-	0	0	-
<b>Profit/(Loss) after taxation</b>	<b>(3,303)</b>	<b>(8,685)</b>	<b>-62%</b>	<b>(3,303)</b>	<b>(8,685)</b>	<b>-62%</b>
<b>Profit/(loss) attributable to:</b>						
Equity holders of the company	(3,447)	(8,968)	-62%	(3,447)	(8,968)	-62%
Non-controlling interest	144	283	-49%	144	283	-49%
<b>Profit/(Loss) after taxation</b>	<b>(3,303)</b>	<b>(8,685)</b>	<b>-62%</b>	<b>(3,303)</b>	<b>(8,685)</b>	<b>-62%</b>
Weighted average number of shares in issue ('000)	461,758	1,305,087		461,758	1,305,087	
Earnings per share (sen) - basic	(0.75)	(0.69)		(0.75)	(0.69)	

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 March 2018 and the accompanying explanatory notes attached to this interim financial statements.



**KEY ALLIANCE GROUP BERHAD (609953-K)**  
(Incorporated in Malaysia)  
FIRST QUARTER ENDED 30 JUNE 2018

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>AS AT END OF CURRENT QUARTER 30/6/2018 (Unaudited) RM'000</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 31/3/2018 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	30,088	26,999
Investment properties	18,352	18,352
Other investment	425	5,327
Goodwill	5,805	5,805
	<b>54,670</b>	<b>56,483</b>
<b>Current Assets</b>		
Inventories	5,939	5,809
Trade and other receivables	17,535	10,997
Tax recoverable	659	581
Fixed deposits with licensed banks	3,942	5,304
Cash and bank balances	9,384	18,239
	<b>37,459</b>	<b>40,930</b>
<b>TOTAL ASSETS</b>	<b>92,129</b>	<b>97,413</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Issued capital	97,428	94,797
Accumulated loss	(40,622)	(37,175)
Share option reserve	592	592
Warrants reserve	17,617	17,617
	<b>75,015</b>	<b>75,831</b>
Non-controlling interest	2,752	2,608
<b>Total Equity</b>	<b>77,767</b>	<b>78,439</b>
<b>Non-current Liability</b>		
Deferred tax liabilities	1,345	1,515
Borrowings	1,238	4,383
	<b>2,583</b>	<b>5,898</b>
<b>Current Liabilities</b>		
Trade and other payables	8,867	8,643
Bank overdrafts	1,939	2,650
Bank borrowings	973	1,783
	<b>11,779</b>	<b>13,076</b>
<b>Total Liabilities</b>	<b>14,362</b>	<b>18,974</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>92,129</b>	<b>97,413</b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.1625	0.0831

The unaudited condensed consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to this interim financial statements.



**KEY ALLIANCE GROUP BERHAD (609953-K)**  
(Incorporated in Malaysia)  
FIRST QUARTER ENDED 30 JUNE 2018

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>3-MONTHS ENDED</b> <b>30/06/18</b> (Unaudited) RM'000	<b>12-MONTHS ENDED</b> <b>31/3/18</b> (Audited) RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(3,303)	(9,283)
Adjustment for:		
Non-cash items	2,718	10,195
Non-operating items	28	(75)
<b>Operating loss before working capital changes</b>	<b>(557)</b>	<b>837</b>
Net changes in current assets	(6,668)	3,281
Net changes in current liabilities	224	(1,941)
<b>Cash (used in)/generated from operations</b>	<b>(7,001)</b>	<b>2,177</b>
Interest paid	(50)	(237)
Net tax paid	(100)	(521)
<b>Net cash (used in)/generated from operating activities</b>	<b>(7,151)</b>	<b>1,419</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries	0	(1,399)
Additional investment in non-controlling interest	0	1,025
Proceeds from disposal of subsidiary	(753)	0
Increase in work-in-progress	0	(19,973)
Interest received	22	0
Investment/(Withdrawal) in other investments	4,902	(5,050)
Proceeds from disposal of plant and equipment	44	65
Proceeds from redemption of redeemable preference shares	0	1,597
Purchase of property, plant and equipment	(3,885)	(3,416)
<b>Net cash generated from/(used in) investing activities</b>	<b>330</b>	<b>(27,151)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Repayment of finance lease liabilities	(373)	(1,491)
Repayment of term loan	(3,582)	(420)
Share issuance expenses	0	(822)
Proceeds from issuance of right shares	0	44,628
Proceeds from private placement	2,632	0
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,323)</b>	<b>41,895</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(8,144)</b>	<b>16,163</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR</b>	<b>15,589</b>	<b>(574)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR</b>	<b>7,445</b>	<b>15,589</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE OF:</b>		
Fixed deposits with licensed bank	3,942	5,304
Cash and bank balances	9,384	18,239
Bank overdrafts	(1,939)	(2,650)
	11,387	20,893
Less : Fixed deposits pledged	(3,942)	(5,304)
	<b>7,445</b>	<b>15,589</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 March 2018 and the accompanying explanatory notes attached to this interim financial statements.



**KEY ALLIANCE GROUP BERHAD (609953-K)**  
(Incorporated in Malaysia)  
FIRST QUARTER ENDED 30 JUNE 2018

**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 April 2018</b>	94,797	0	17,617	592	(37,175)	2,608	78,439
<b>Adjustment for effects of Companies Act 2016*</b>	0	0	0	0	0	0	0
Total comprehensive loss for the period	0	0	0	0	(3,447)	144	(3,303)
Issuance of shares from private placement	2,631	0	0	0	0	0	2,631
<b>Balance as of 30 June 2018</b>	<u>97,428</u>	<u>0</u>	<u>17,617</u>	<u>592</u>	<u>(40,622)</u>	<u>2,752</u>	<u>77,767</u>

	<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 April 2017</b>	40,953	10,037	3,775	570	(16,185)	1,429	40,579
Total comprehensive loss for the period	0	0	0	0	(8,968)	283	(8,685)
Grant of share issuance scheme	0	0	0	2,475	0	0	2,475
Issuance of right share	40,953	(821)	13,842	0	(13,842)	0	40,132
<b>Balance as of 30 June 2017</b>	<u>81,906</u>	<u>9,216</u>	<u>17,617</u>	<u>3,045</u>	<u>(38,995)</u>	<u>1,712</u>	<u>74,501</u>

\* With the Companies Act 2016 ("the Act") coming into effect on 31 January 2017, the credit stating in the share premium accounts of RM9,216,098 has been transferred to the share capital account. Pursuant to subsection 618(3) and 618(4) of the Act, the Group may exercise its right to use the credit amounts being transferred from share premium within 24 months after the commencement of the Act. The Board of Directors will make a decision thereon by 31 January 2019.

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 March 2018 and the accompanying explanatory notes attached to this interim financial statements.