



KEY ALLIANCE GROUP BERHAD (609953-K)
(Incorporated in Malaysia)
FIRST QUARTER ENDED 30 JUNE 2021

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

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	2021	2020	<i>Changes</i>	2021	2020	<i>Changes</i>
	CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER		CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	
	30/06/2021	30/06/2020	%	30/06/2021	30/06/2020	%
	RM'000	RM'000		RM'000	RM'000	
REVENUE	17,818	7,509	137%	17,818	7,509	137%
Operating expenses	(271)	(4,245)	-94%	(271)	(4,245)	-94%
Other income	160	288	-44%	160	288	-44%
Interest income	49	23	113%	49	23	113%
Interest expense	(659)	(214)	-208%	(659)	(214)	208%
Fair value adjustment on other investment	(18,081)	13,937	-230%	(18,081)	13,937	230%
(Loss)/Profit before taxation	(18,802)	9,789	-292%	(18,802)	9,789	-292%
Taxation	-	-	-	-	-	-
(Loss)/Profit after taxation	(18,802)	9,789	-292%	(18,802)	9,789	-292%
(Loss)/Profit attributable to:						
Equity holders of the company	(18,687)	10,282	-282%	(18,687)	10,282	-282%
Non-controlling interest	(115)	(493)	-77%	(115)	(493)	-77%
(Loss)/Profit after taxation	(18,802)	9,789	-292%	(18,802)	9,789	-292%
Weighted average number of shares in issue ('000)	2,354,310	642,274		2,354,310	642,274	
(Loss)/Earnings per share (sen) - basic	(0.79)	1.60		(0.79)	1.60	

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 2021 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 30/6/2021 (Unaudited) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/3/2021 (Audited) RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	45,221	45,654
Right of use assets	4,704	5,715
Investment properties	18,200	18,200
Development Expenditure	110	18
Other investment	22,363	40,443
Goodwill	1,399	1,399
Deferred tax assets	763	763
	92,760	112,192
Current Assets		
Inventories	4,885	4,679
Trade and other receivables	51,430	52,787
Tax recoverable	396	373
Fixed deposits with licensed banks	4,450	4,269
Cash and bank balances	32,441	48,078
	93,602	110,186
TOTAL ASSETS	186,362	222,378
EQUITY AND LIABILITIES		
Capital and Reserves		
Issued capital	175,612	175,612
Accumulated loss	(50,970)	(32,261)
Warrants reserve	19,642	19,642
	144,284	162,993
Non-controlling interest	(2,584)	(2,491)
Total Equity	141,700	160,502
Non-current Liabilities		
Deferred tax liabilities	497	497
Borrowings	-	6,303
Contract liabilities	1,329	1,494
Lease liabilities	3,348	3,961
	5,174	12,255
Current Liabilities		
Trade and other payables	19,320	26,571
Bank overdrafts	1,981	1,989
Borrowings	-	2,333
Contract liabilities	15,625	16,053
Lease Liabilities	2,562	2,675
	39,488	49,621
Total Liabilities	44,662	61,876
TOTAL EQUITY AND LIABILITIES	186,362	222,378

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

0.0613

0.0692

The unaudited condensed consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Warrant Reserve	Share Option Reserve	Accumulated Loss	Non - Controlling Interest	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as of 1 April 2021	175,612	19,642	-	(32,261)	(2,491)	160,502
Total comprehensive income for the period	-	-	-	(18,687)	(115)	(18,802)
Arising from increase of stakes in subsidiary				(22)	22	-
Balance as of 30 June 2021	175,612	19,642	-	(50,970)	(2,584)	141,700
	Issued Capital	Warrant Reserve	Share Option Reserve	Accumulated Loss	Non - Controlling Interest	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as of 1 April 2020	101,817	13,842	630	(56,323)	708	60,674
Total comprehensive income for the period	-	-	-	10,282	(493)	9,789
Grant of share issuance scheme	-	-	117	-	-	117
Exercise of share issuance scheme	1,292	-	(155)	-	-	1,137
Share issuance scheme lapsed	-	-	(592)	592	-	-
Warrants expired	-	(13,842)	-	13,842	-	-
Issuance of shares from private placement	781	-	-	-	-	781
Balance as of 30 June 2020	103,890	-	-	(31,607)	215	72,498

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 2021 and the accompanying explanatory notes attached to this interim financial statements.



KEY ALLIANCE GROUP BERHAD (609953-K)
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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3-MONTHS ENDED 30/06/21 (Unaudited) RM'000	12-MONTHS ENDED 31/03/21 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(18,802)	10,760
Adjustment for:		
Non-cash items	19,159	(7,042)
Non-operating items	610	1,156
Operating profit before working capital changes	967	4,874
Net changes in current assets	1,640	(10,546)
Net changes in current liabilities	(7,844)	(10,708)
Cash used in operations	(5,237)	(16,380)
Interest received	48	-
Interest paid	(659)	-
Net tax paid	(23)	144
Net cash used in operating activities	(5,871)	(16,236)
CASH FLOWS FOR INVESTING ACTIVITIES		
Investment in other investment	-	(25,842)
Pledged of fixed deposit	(181)	(105)
Proceeds from disposal of other investment	-	12,029
Proceeds from disposal of plant and equipment	-	70
Purchase of right of use assets	-	(58)
Purchase of property, plant and equipment	(215)	(10,256)
Interest income	-	86
Net cash used in investing activities	(396)	(24,076)
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of lease liabilities	(726)	(2,817)
Interest paid	-	(1,242)
Repayment of term loan	(8,636)	(963)
Proceeds from issuance of right shares	-	90,068
Net cash (used in)/generated from financing activities	(9,362)	85,046
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(15,629)	44,734
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR	46,089	1,355
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	30,460	46,089
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Fixed deposits with licensed bank	4,450	4,269
Cash and bank balances	32,441	48,078
Bank overdrafts	(1,981)	(1,989)
	34,910	50,358
Less : Fixed deposits pledged	(4,450)	(4,269)
	30,460	46,089

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 2021 and the accompanying explanatory notes attached to this interim financial statements.



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Notes to the Interim Financial Report

For the first quarter ended 30 June 2021

A. EXPLANATORY NOTES

A1. Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the Malaysia Financial Reporting Standards (“MFRSs”) 134 – *Interim Financial Reporting* and Rule 9.22 of the ACE Marketing Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 March 2021.

The significant accounting policies adopted by the Group are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2021.

The explanatory notes provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2021.

A2. Auditors’ Report

The auditors’ report for the Group’s annual financial statements for the financial year ended 31 March 2021 was not subject to any qualification.

A3. Seasonal or Cyclical Factors

The Group does not experience any significant seasonal or cyclical sales cycle. However, there may be fluctuations between the quarters due to the nature of the Group’s integration businesses which are secured on a project by project basis.

A4. Unusual Items

During the financial quarter under review, there were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group.

A5. Material Changes in Estimates

There were no changes in the estimate of amounts reported in the prior quarter or financial year which have material effect on the current quarter results.



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A6. Changes in Debts and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares during the current quarter under review.

A7. Dividend

No dividend has been declared or paid during the current financial year-to-date under review.

A8. Segmental Reporting

The Group's business is wholly conducted in Malaysia and therefore there's no geographical segment. Following the Group's internal restructuring during the year, the Group's new reportable segments were identified as follows:

- Cloud and IT Services – Provision of cloud and disaster recovery services
- Trading of Kitchen Appliances, IT and office automation and medical equipment– Provision of distributing and reselling of kitchen appliances, IT-related product and office automation and services, and medical equipment and devices
- Property Construction – Provision of the business property development and interior design services.



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A8. Segmental Reporting (Cont'd)

Other non-reportable comprise operations related to investment holding and other services.

Business Segments	Cloud and IT Services	Trading	Property Construction	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current quarter ended 30 June 2021						
Revenue	3,442	13,632	927	81	(264)	17,818
Segment results	582	345	(359)	(18,843)	83	(18,192)
Interest expenses						(659)
Interest income						49
Loss before tax						(18,802)
Taxation						-
Loss after tax						(18,802)
Segment assets	60,414	31,393	26,295	154,648	(86,388)	186,362
Current quarter ended 30 June 2020						
Revenue	4,406	3,233	34	81	(245)	7,509
Segment results	431	(1,274)	(242)	12,959	78	11,952
Interest expenses						(214)
Interest income						23
Impairment loss on goodwill						(1,972)
Profit before tax						9,789
Taxation						-
Profit after tax						9,789
Segment assets	49,724	29,932	27,117	93,708	(61,470)	139,011



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A9. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment were brought forward without any amendments from the preceding annual financial statements.

A10. Subsequent Events

There were no other material events subsequent to the end of the current quarter under review up to the date of this quarterly report.

A11. Changes in the Composition of the Group

The Company has acquired additional 15% of Agrocloud Sdn Bhd. The Group holds 90% of Agrocloud Sdn Bhd upon completion.

There were no other material changes to the composition of the Group for the current quarter under review.

A12. Changes in Contingent Assets and Contingent Liabilities

Contingent liabilities of the Group as at 30 June 2021 are as follows:

	Group Level	
	As at 30 June 2021 RM'000	As at 31 March 2021 RM'000
Secured		
Fixed deposit pledged to banks for credit facilities granted to subsidiaries	4,450	4,269
Corporate guarantees issued to bank for facility granted to a subsidiary	-	8,637
	<u>4,450</u>	<u>12,906</u>



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A12. Changes in Contingent Assets and Contingent Liabilities (Cont'd)

	Group Level	
	As at 30 June 2021 RM'000	As at 31 March 2021 RM'000
Unsecured		
Corporate guarantees issued to banks for finance lease facility granted to a subsidiary	522	610
Corporate guarantees issued to a leasing company for finance lease facility granted to a subsidiary	2,328	2,306
	<u>2,850</u>	<u>3,216</u>

A13. Capital Commitments

Capital commitments of the Group in respect of capital expenditure are as follows:

	As at 30 June 2021 RM'000	As at 31 March 2021 RM'000
Capital expenditure not provided for in the financial statement - authorised and contracted	<u>2,000</u>	<u>2,000</u>
Analysed as follows:		
Plant and equipment	<u>2,000</u>	<u>2,000</u>

There were no other material capital commitments for the purchase of property, plant and equipment incurred or known to be incurred for in the current quarter under review.



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B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded revenue of RM17.82 million, 137.28% higher than RM7.51 million recorded in the corresponding quarter last year. This is due to the revenue contributed by the trading of medical products which commenced in the previous quarter.

The Group recorded a net loss after taxation of RM18.80 million as compared to the last year corresponding quarter's profit after taxation of RM9.79 million. This is due to the fair value loss on other investments during the current quarter under review amounting to RM18.08 million.

The performance of the respective business segments for the quarter ended 30 June 2021 as compared to the last year corresponding quarter is analysed as follows:-

1) *Cloud and IT Services*

The cloud and IT services segment recorded revenue of RM3.44 million in the current financial quarter ended 30 June 2021 compared to RM4.41 million recorded in the last year corresponding quarter. The cloud and IT services segment recorded profit before taxation of RM38,000 compared to profit before taxation of RM0.40 million. This is in line with the decrease in revenue.

2) *Trading of Kitchen Appliances, IT and Office Automation Equipment and Medical Equipment*

The trading of kitchen appliance recorded revenue of RM0.19 million in the current financial quarter ended 30 June 2021 compared to RM0.19 million in the last year corresponding quarter. The kitchen appliances recorded loss before tax of RM0.23 million for the current quarter ended 30 June 2021 compared to loss before tax of RM0.42 million in the last year corresponding quarter.

The trading of IT and office automation equipment recorded revenue of RM1.62 million for the current quarter under review as compared to RM3.04 million in the last year corresponding quarter. The IT and office automation equipment recorded loss before taxation of RM0.17 million as compared to loss before taxation of RM0.99 million in the last year corresponding quarter. This is due to the reversal of impairment loss on receivables amounting to RM0.34 million during the current quarter under review.

The trading of medical equipment recorded revenue of RM11.83 million and profit before taxation of RM0.65 million.



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B1. Review of Performance (Cont'd)

3) Property Construction

The Property Construction has recorded a revenue of RM0.93 million during the quarter compared to RM0.03 million in the last year corresponding quarter. This is due to the progress billing of renovation works during the quarter under review. The segment recorded loss before taxation of RM0.36 million during the current quarter as compared to loss before taxation of RM0.24 million in the last year corresponding quarter.

B2. Future Prospect

The Board is of the view that the increase in revenue for Cloud and IT segment during the Covid-19 pandemic, indicating more companies and enterprises realising the importance of cloud and subscribing for cloud and co-location services. The Group will continue to focus its energies on the Cloud and IT segment, to capitalize on the growing requirement of digitization. The Group will also pay close attention to the market trends that are impacted by the spread of Covid-19, and will respond accordingly to minimise the risks and maximise opportunities.

B3. Changes in Profit/Loss before Taxation against Immediate Preceding Quarter

For the current quarter under review, the Group's revenue was RM17.82 million represents a decrease of RM11.68 million as compared to immediate preceding corresponding quarter revenue of RM29.50 million. This is due to the decrease in revenue for the property construction segment.

Current quarter recorded loss after tax of RM18.80 million as compared to the loss after tax of RM15.95 million for the immediate preceding corresponding quarter. This is due to the fair value loss on the other investment amounting to RM18.08 million during the current quarter under review.

The performance of the respective business segments for the quarter ended 30 June 2021 as compared to the immediate preceding corresponding quarter is analysed as follows:-

1) Cloud Services

The cloud services recorded revenue of RM3.44 million in the current financial quarter ended 30 June 2021 as compared to the RM6.09 million in the immediate preceding corresponding quarter. This segment recorded a profit after taxation of RM38,000 in the current quarter under review as compared to immediate preceding corresponding quarter profit after taxation of RM0.49 million. This is in line with the decrease in revenue.



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B3. Changes in Profit/Loss before Taxation against Immediate Preceding Quarter (Cont'd)

2) *Trading of Kitchen Appliances, IT and Office Automation Equipment and Medical Equipment*

The kitchen appliances services segment recorded revenue of RM0.19 million in the current financial quarter ended 30 June 2021 as compared to immediate preceding corresponding quarter revenue of RM0.27 million. This segment recorded a loss after taxation of RM0.23 million in the current quarter under review as compared to immediate preceding corresponding quarter loss after taxation of RM2.16 million. This is due to the recognition of share option expenses in the immediate preceding corresponding quarter.

The trading of IT and office automation equipment recorded revenue of RM1.62 million for the current quarter under review as compared to RM0.38 million in the immediate preceding corresponding quarter. The IT and office automation equipment recorded loss before taxation of RM0.17 million as compared to profit before taxation of RM0.37 million in the immediate preceding corresponding quarter. This is due to the reversal of impairment loss on inventories of RM2.00 million in the immediate preceding corresponding quarter.

The trading of medical equipment segment recorded revenue of RM11.83 million for the current quarter under review as compared to RM0.12 million in the immediate preceding corresponding quarter. The segment recorded profit before taxation of RM0.65 million as compared to loss before taxation of RM52,000 in the immediate preceding corresponding quarter. This is in line with the increase in revenue.

3) *Property Construction*

The construction segment recorded revenue of RM0.93 million in the current financial quarter ended 30 June 2021 as compared to immediate preceding corresponding quarter revenue of RM23.54 million. The construction segment recorded loss before taxation of RM0.36 million as compared to profit before taxation of RM2.92 million in the immediate preceding corresponding quarter. This is in line with the decrease in revenue.

B4. Profit Forecast

- (a) No profit forecast was announced hence there was no comparison made with the actual results.
- (b) There is no shortfall in profit guarantee as the Group did not provide any profit guarantee.



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B5. Taxation

	3-months ended 30/06/2021	12-months ended 31/03/2021
	RM'000	Audited RM'000
Income tax		
- Current year provision	-	-
- Under/(over) provision in previous year	-	-
Deferred taxation	-	(45)
Total	<u>-</u>	<u>(45)</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (2021:24%) of the estimated assessable profit for the year.

B6. Profit on sale of Unquoted Investments and/or Properties

There was no disposal of unquoted investments and/or properties for the current quarter and financial year-to-date under review.

B7. Purchase and Disposal of Quoted Securities

(a) The details of the investment in quoted shares as at 30 June 2021 are as below:

	As at 30 June 2021
	RM'000
At cost	31,927
At book value	21,753
At market value	21,753

B8. Corporate Proposals

Private Placement up to 20% of the total number of shares (Proposed Private Placement)

On 27 January 2021, the Company proposed to undertake a private placement of up to 20% of the total number of issued shares of the Company to third party investor(s) to be identified later at an issue price to be determined later.

The application pursuant to the Proposed Private Placement has been submitted to Bursa Malaysia Securities Berhad on 29 January 2021.

Bursa Securities had, vide its letter dated 11 February 2021, approved the listing and quotation of up to 609,451,510 placement shares to be issued pursuant to the Proposed Private Placement.



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B8. Corporate Proposals (Cont'd)

Multiple Proposals

On 11 March 2021, on behalf of the Board of Directors of KAG ("Board"), UOB Kay Hian Securities (M) Sdn Bhd ("UOBKH") wishes to announce that the Company proposes to undertake the following:-

i. a private placement of up to 20% of the total number of issued shares of KAG ("KAG Share(s)" or "Share(s)") (excluding treasury shares) to third party investor(s) to be identified later ("Proposed Private Placement"). For avoidance of doubt, the Proposed Private Placement is not undertaken in accordance with a general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act"). As such, the Proposed Private Placement is subject to specific shareholder approval pursuant to Rule 6.06 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"); and

ii. an acquisition of 450,000 ordinary shares in Tree Med Sdn Bhd ("Tree Med") ("Sale Share(s)"), representing 30% equity interest in Tree Med, from Khairul Anuar Bin Danial and Raja Mazyah Binti Raja Aminuddin (collectively, the "Vendors") for a purchase consideration of RM14,000,000 ("Purchase Consideration") to be satisfied via a combination of RM4,000,000 in cash ("Cash Consideration") and RM10,000,000 via the issuance of 200,000,000 new KAG Shares at an issue price of RM0.05 per KAG Share ("Consideration Share(s)") ("Proposed Acquisition");

(The Proposed Private Placement and Proposed Acquisition are collectively referred to as the "Proposals").

The application pursuant to the Proposals has been submitted to Bursa Malaysia Securities Berhad on 17 March 2021.

Bursa Securities had, vide its letter dated 28 April 2021, approved the listing and quotation of:-

- i. up to 789,172,978 new KAG Shares to be issued pursuant to the Proposed Private Placement; and
- ii. 200,000,000 new KAG Shares to be issued pursuant to the Proposed Acquisition.

The Proposals have been approved by the shareholders during the Extraordinary General Meeting on 25 May 2021.



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B8. Corporate Proposals (Cont'd)

Multiple Proposals (Cont'd)

All conditions precedent pursuant to the SSA have been fulfilled and 200,000,000 Consideration Shares issued pursuant to the Proposed Acquisition were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 2 September 2021, marking the completion of the Proposed Acquisition.

There was no other corporate proposal announced but not completed for the quarter under review.

B9. Group Borrowings

As at 30 June 2021	Short-term RM'000	Long-term RM'000	Total RM'000
Secured			
Hire purchase	320	420	740
Other lease liabilities	2,242	2,928	5,170
Bank overdraft	1,981	-	1,981
Total	4,543	3,348	7,891
As at 31 March 2021	Short-term RM'000	Long-term RM'000	Total RM'000
Secured			
Hire purchase	339	499	838
Other lease liabilities	2,336	3,462	5,798
Term loan	2,333	6,303	8,636
Bank overdraft	1,989	-	1,989
Total	6,997	10,264	17,261



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B10. Off Balance Sheet Financial Instruments

The Group does not have any off-balance sheet financial instruments as at the date of this quarterly report.

B11. Material Litigation

There was no material litigation pending as at the date of this report.

B12. Dividend

No dividend has been declared or paid during the current quarter and the financial year-to-date under review.

B13. (Loss)/Profit Before Tax

(Loss)/Profit for the period is arrived after crediting/(charging) the following:

	Quarter Ended		Cumulative Year-To-Date Ended	
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
Depreciation & amortization	(1,427)	(1,526)	(1,427)	(1,526)
Fair value adjustment on other investment	(18,081)	13,937	(18,081)	13,937
Allowance for expected credit losses of trade and other receivables	-	(560)	-	(560)
Impairment loss on goodwill	-	(1,972)	-	(1,972)
Interest expense	(659)	(214)	(659)	(214)
Share-based payment	-	117	-	117
And crediting:-				
Interest income	49	23	49	23
Reversal of impairment loss on receivables	351	-	351	-



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B14. Status of utilisation of proceeds

30% Private Placement

On 21 July 2020, the 30% Private Placement has been completed with the listing of 204,162,850 placement shares on the ACE Market of Bursa Malaysia Securities Berhad. As at 30 June 2021, the status of the utilization of the proceeds raised is as follow:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation
Business expansion	12,140	(10,100)	Within 12 months from completion
Estimated expenses for the Corporate Exercises	110	(110)	Upon completion

Rights issue

On 20 November 2020, the Rights Issue with Warrants has been completed with the listing of Rights Shares and Warrants on the ACE Market of Bursa Malaysia Securities Berhad. As at 30 June 2021, the status utilisation of the proceeds raised is as follow:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation
Business expansion			
- <i>Purchase of Covid-19 RT PCR Test Kit, and other in vitro diagnostic devices and/or medical equipment/devices</i>	28,995	(11,612)	Within 12 months from completion
- <i>Staff related costs</i>	1,000	(80)	Within 12 months from completion
- <i>Marketing & Advertising costs</i>	5,000	(35)	Within 12 months from completion
Repayment of bank borrowings	9,600	(9,600)	Within 6 months from completion
Working capital	3,810	(2,505)	Within 12 months from completion
Estimated expenses for the Corporate Exercises	700	(700)	Upon completion



KEY ALLIANCE GROUP BERHAD (*Company No. 609953-K*)
(Incorporated in Malaysia)

Notes to the Interim Financial Report

For the first quarter ended 30 June 2021

B15. Earnings per Share

Basic

The earnings per share for the current quarter and cumulative quarter year-to-date are computed as follows:

	Quarter Ended		Year-To-Date Ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
Net (loss)/profit for the period attributable to ordinary equity holders of the Company (RM'000)	(18,687)	10,282	(18,687)	10,282
Weighted average number of ordinary shares in issue ('000)	2,354,310	642,274	2,354,310	642,274
(Loss)/Earnings per share (sen)	<u>(0.79)</u>	<u>1.60</u>	<u>(0.79)</u>	<u>1.60</u>

Diluted

The fully diluted loss per ordinary share for the Group for the current financial period is not presented as the warrants would be anti-dilutive as the exercise price is higher than the fair value of the Company's shares.