



KEY ALLIANCE GROUP BERHAD (609953-K)
(Incorporated in Malaysia)
FOURTH QUARTER ENDED 31 DECEMBER 2015

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	2015	2014	2015	2014
	CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	<u>31/12/2015</u>	<u>31/12/2014</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
	RM'000	RM'000	RM'000	RM'000
REVENUE	9,958	22,005	39,487	57,525
Operating profit	(3,802)	(1,811)	(5,274)	(2,651)
Other income	56	229	226	841
Interest income	63	114	250	434
Amortisation and depreciation	(534)	(560)	(2,510)	(1,999)
Interest expense	(125)	(123)	(489)	(145)
Share of results of associate company	0	(123)	(46)	(114)
Loss before taxation	<u>(3,842)</u>	<u>(2,574)</u>	<u>(7,343)</u>	<u>(3,934)</u>
Taxation	101	(296)	78	(315)
Loss after taxation	<u><u>(3,741)</u></u>	<u><u>(2,870)</u></u>	<u><u>(7,265)</u></u>	<u><u>(4,249)</u></u>
Profit/(loss) attributable to:				
Equity holders of the company	(3,542)	(3,047)	(8,520)	(4,592)
Non-controlling interest	(199)	177	1,255	343
Loss after taxation	<u><u>(3,741)</u></u>	<u><u>(2,870)</u></u>	<u><u>(7,265)</u></u>	<u><u>(4,249)</u></u>
Weighted average number of shares in issue ('000)	580,800	580,800	580,800	580,800
Earnings per share (sen) - basic	(0.61)	(0.52)	(1.47)	(0.79)

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.



KEY ALLIANCE GROUP BERHAD (609953-K)
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FOURTH QUARTER ENDED 31 DECEMBER 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 31/12/2015 (Unaudited) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2014 (Audited) RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	21,274	19,776
Development Expenditure	0	178
Investment in Associate	170	216
Other investment	2,617	1,346
Goodwill	8,375	9,025
	32,436	30,541
Current Assets		
Inventories	6,503	10,029
Trade and other receivables	16,808	19,095
Amount owing by associate	265	-
Tax recoverable	190	36
Fixed deposits with licensed banks	5,896	4,420
Cash and bank balances	2,510	10,840
	32,172	44,420
TOTAL ASSETS	64,608	74,961
EQUITY AND LIABILITIES		
Capital and Reserves		
Issued capital	29,040	58,080
Share premium	10,087	10,275
Accumulated Loss	(10,300)	(30,820)
Share option reserve	1,034	0
Warrants reserve	3,775	3,775
	33,636	41,310
Non-controlling interest	1,306	51
Total Equity	34,942	41,361
Non-current Liability		
Deferred tax liabilities	1,315	1,674
Borrowings	6,670	6,157
	7,985	7,831
Current Liabilities		
Trade and other payables	13,536	17,390
Bank overdrafts	1,963	1,979
Bank borrowings	1,174	1,071
Tax liabilities	0	321
Contingent consideration	5,008	5,008
	21,681	25,769
Total Liabilities	29,666	33,600
TOTAL EQUITY AND LIABILITIES	64,608	74,961

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

0.06

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.



KEY ALLIANCE GROUP BERHAD (609953-K)
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FOURTH QUARTER ENDED 31 DECEMBER 2015

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	12-MONTHS ENDED 31/12/15 (Unaudited) RM'000	12-MONTHS ENDED 31/12/14 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(7,343)	(3,450)
Adjustment for:		
Non-cash items	3,446	3,431
Non-operating items	239	-241
Operating loss before working capital changes	(3,658)	(260)
Net changes in current assets	5,548	(2,043)
Net changes in current liabilities	(3,854)	(896)
Cash used in operations	(1,964)	(3,199)
Interest paid	(489)	(132)
Net tax paid	(766)	(384)
Net cash used in operating activities	(3,219)	(3,715)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	250	373
Placement of fixed deposits	(1,273)	(3,203)
Purchase of property, plant and equipment	(1,925)	(5,281)
Investment in associate	0	(170)
Advance to an associate	0	(2)
Acquisition of subsidiary	0	(7,465)
Purchase of investment	(1,271)	(1,646)
Net cash used in investing activities	(4,219)	(17,394)
CASH FLOWS FOR FINANCING ACTIVITIES		
Share issuance expenses	(188)	0
Repayment of hire purchase	(315)	(84)
Proceeds from lease financing	0	0
Repayment of lease financing	(146)	(54)
Proceeds from term loan	0	5,000
Repayment of term loan	(377)	(600)
Net cash (used in)/generated from financing activities	(1,026)	4,262
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,464)	(16,847)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR	9,011	25,858
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	547	9,011
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Fixed deposits with licensed bank	5,896	4,420
Cash and bank balances	2,510	10,840
Bank overdrafts	(1,963)	(1,979)
	6,443	13,281
Less : Fixed deposits pledged	(5,896)	(4,270)
	547	9,011

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.



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 2015	58,080	10,275	3,775	0	(30,820)	51	41,361
Total comprehensive income/(loss) for the period	0	0	0	0	(8,520)	1,255	(7,265)
Share Issuance Scheme ("SIS") granted	0	0	0	1,034	0	0	1,034
Par value reduction	(29,040)	(188)	0	0	29,040	0	(188)
Balance as of 31 December 2015	29,040	10,087	3,775	0	(10,300)	1,306	34,942

	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 2014	58,080	10,275	3,775	0	(26,538)	(1,105)	44,487
Total comprehensive income/(loss) for the period	0	0	0	0	(4,592)	343	(4,249)
Acquisition of subsidiary with non-controlling interest	0	0	0	0	0	826	826
Balance as of 31 December 2014	58,080	10,275	3,775	0	(31,130)	64	41,064

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.