



KEY ALLIANCE GROUP BERHAD (609953-K)
(Incorporated in Malaysia)
FOURTH QUARTER ENDED 31 DECEMBER 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
	<u>31/12/2016</u>	<u>31/12/2015</u>	<u>31/12/2016</u>	<u>31/12/2015</u>
	RM'000	RM'000	RM'000	RM'000
REVENUE	8,036	9,958	27,545	39,487
Operating profit	814	(3,802)	(3,193)	(5,274)
Other income	21	56	315	226
Interest income	45	63	192	250
Amortisation and depreciation	(384)	(534)	(1,542)	(2,510)
Interest expense	(156)	(125)	(556)	(489)
Fair value adjustment on investment	0	500	0	500
Share of results of associate company	0	0	0	(46)
Profit/(Loss) before taxation	<u>340</u>	<u>(3,842)</u>	<u>(4,784)</u>	<u>(7,343)</u>
Taxation	0	101	0	78
Profit/(Loss) after taxation	<u><u>340</u></u>	<u><u>(3,741)</u></u>	<u><u>(4,784)</u></u>	<u><u>(7,265)</u></u>
Profit/(loss) attributable to:				
Equity holders of the company	231	(3,542)	(4,818)	(8,520)
Non-controlling interest	109	(199)	34	1,255
Profit/(Loss) after taxation	<u><u>340</u></u>	<u><u>(3,741)</u></u>	<u><u>(4,784)</u></u>	<u><u>(7,265)</u></u>
Weighted average number of shares in issue ('000)	704,424	580,800	704,424	580,800
Earnings per share (sen) - basic	0.03	(0.61)	(0.68)	(1.47)

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 12/31/2016 (Unaudited) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 12/31/2015 (Audited) RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	26,706	21,268
Other investment	2,131	2,427
Goodwill	8,047	8,375
	36,884	32,070
Current Assets		
Inventories	7,944	6,773
Trade and other receivables	19,623	17,601
Amount owing by associate	87	-
Tax recoverable	507	186
Fixed deposits with licensed banks	6,174	5,668
Cash and bank balances	2,401	2,508
	36,736	32,736
TOTAL ASSETS	73,620	64,806
EQUITY AND LIABILITIES		
Capital and Reserves		
Issued capital	40,953	29,040
Share premium	9,554	10,087
Accumulated loss	(14,748)	(10,983)
Share option reserve	0	1,053
Warrants reserve	3,775	3,775
	39,534	32,972
Non-controlling interest	1,356	1,322
Total Equity	40,890	34,294
Non-current Liability		
Deferred tax liabilities	1,615	1,615
Borrowings	6,901	6,302
	8,516	7,917
Current Liabilities		
Trade and other payables	19,417	14,084
Bank overdrafts	2,507	1,963
Bank borrowings	2,290	1,540
Contingent consideration	0	5,008
	24,214	8,511
Total Liabilities	32,730	16,428
TOTAL EQUITY AND LIABILITIES	73,620	50,722
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.0561	0.0568

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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FOURTH QUARTER ENDED 31 DECEMBER 2016

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	12-MONTHS ENDED 31/12/16 (Unaudited) RM'000	12-MONTHS ENDED 31/12/15 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(4,784)	(7,707)
Adjustment for:		
Non-cash items	2,813	4,863
Non-operating items	364	263
Operating loss before working capital changes	(1,607)	(2,581)
Net changes in current assets	(3,193)	(211)
Net changes in current liabilities	5,333	1,155
Cash used in operations	533	(1,637)
Interest paid	(556)	(512)
Net tax paid	(316)	(756)
Net cash used in operating activities	(339)	(2,905)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	192	249
Placement of fixed deposits	(506)	(1,398)
Purchase of property, plant and equipment	(5,393)	(2,291)
Proceeds from disposal of plant and equipment	31	3
Advance to an associate	(87)	(163)
Net cash flow on deemed disposal of subsidiary	0	(6)
Purchase of investment	296	(1,271)
Net cash used in investing activities	(5,467)	(4,877)
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from issuance of shares pursuant to private placement	2,904	-
Proceeds from share issuance scheme	4,000	-
Share issuance expenses	(533)	(188)
Repayment of finance lease liabilities	(803)	(463)
Repayment of term loan	(413)	(378)
Proceeds from bill payables	0	345
Net cash (used in)/generated from financing activities	5,155	(684)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(651)	(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	(106)	545
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Fixed deposits with licensed bank	6,174	5,668
Cash and bank balances	2,401	2,508
Bank overdrafts	(2,507)	(1,963)
	6,068	6,213
Less : Fixed deposits pledged	(6,174)	(5,668)
	(106)	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.



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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 loss for the period	0	0	0	0	(4,818)	34	(4,784)
Exercise of share issuance scheme	4,000	0	0	(1,053)	1,053	0	4,000
Share issuance	7,913	(533)	0	0	0	0	7,380
Balance as of 31 December 2016	40,953	9,554	3,775	0	(14,748)	1,356	40,890
	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 loss for the period	0	0	0	0	(8,520)	1,255	(7,265)
Share issuance scheme 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	1,034	(10,300)	1,306	34,942

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.