



**KEY ALLIANCE GROUP BERHAD**

Registration No.: 200301007533 (609953-k)

(Incorporated in Malaysia)

SECOND QUARTER ENDED 30 SEPTEMBER 2021

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

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	2021	2020	Changes	2021	2020	Changes
	CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER		CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	
	30/09/2021	30/09/2020	%	30/09/2021	30/09/2020	%
RM'000	RM'000		RM'000	RM'000		
REVENUE	5,071	9,053	-44%	22,889	16,562	38%
Operating expenses	(2,032)	(6,407)	-68%	(2,303)	(10,652)	-78%
Other income	652	2,545	-74%	812	2,833	-71%
Interest income	42	24	75%	91	47	94%
Interest expense	-	(199)	100%	(659)	(413)	60%
Fair value adjustment on other investment	(194)	31,745	-101%	(18,275)	45,682	140%
Share of associate result	874	-		874	-	
<b>(Loss)/Profit before tax</b>	<b>(658)</b>	<b>27,708</b>	<b>-102%</b>	<b>(19,460)</b>	<b>37,497</b>	<b>-152%</b>
Taxation	-	-	-	-	-	-
<b>(Loss)/Profit after taxation</b>	<b>(658)</b>	<b>27,708</b>	<b>-102%</b>	<b>(19,460)</b>	<b>37,497</b>	<b>-152%</b>
<b>(Loss)/Profit attributable to:</b>						
Equity holders of the company	(720)	28,921	-102%	(19,407)	39,203	-150%
Non-controlling interest	62	(1,213)	-105%	(53)	(1,706)	-97%
<b>(Loss)/Profit after taxation</b>	<b>(658)</b>	<b>27,708</b>	<b>-102%</b>	<b>(19,460)</b>	<b>37,497</b>	<b>-152%</b>
Weighted average number of shares in issue ('000)	2,386,003	773,501		2,386,003	773,501	
(Loss)/Earnings per share (sen) - basic	(0.03)	3.74		(0.81)	5.07	

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.



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 Registration No.: 200301007533 (609953-k)  
 (Incorporated in Malaysia)  
 SECOND QUARTER ENDED 30 SEPTEMBER 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>AS AT END OF CURRENT QUARTER 30/9/2021 (Unaudited) RM'000</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 31/3/2021 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	45,126	45,654
Right of use assets	4,650	5,715
Investment properties	18,200	18,200
Development Expenditure	108	18
Investment in Associate	14,873	-
Other investment	35,973	40,443
Goodwill	1,399	1,399
Deferred tax assets	763	763
	<b>121,092</b>	<b>112,192</b>
<b>Current Assets</b>		
Inventories	5,945	4,679
Trade and other receivables	32,298	52,787
Tax recoverable	426	373
Fixed deposits with licensed banks	4,467	4,269
Cash and bank balances	22,336	48,078
	<b>65,472</b>	<b>110,186</b>
<b>TOTAL ASSETS</b>	<b>186,564</b>	<b>222,378</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Issued capital	185,612	175,612
Accumulated loss	(51,781)	(32,261)
Warrants reserve	19,642	19,642
	<b>153,473</b>	<b>162,993</b>
Non-controlling interest	(2,424)	(2,491)
<b>Total Equity</b>	<b>151,049</b>	<b>160,502</b>
<b>Non-current Liabilities</b>		
Deferred tax liabilities	497	497
Borrowings	-	6,303
Contract liabilities	1,163	1,494
Lease liabilities	2,725	3,961
	<b>4,385</b>	<b>12,255</b>
<b>Current Liabilities</b>		
Trade and other payables	12,983	26,571
Bank overdrafts	1,993	1,989
Borrowings	-	2,333
Contract liabilities	13,640	16,053
Lease Liabilities	2,514	2,675
	<b>31,130</b>	<b>49,621</b>
<b>Total Liabilities</b>	<b>35,515</b>	<b>61,876</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>186,564</b>	<b>222,378</b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.0601	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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SECOND QUARTER ENDED 30 SEPTEMBER 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Issued Capital</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
<b>Balance as of 1 April 2021</b>	175,612	19,642	-	(32,261)	(2,491)	160,502
<i>Restated</i>	175,612	19,642	-	(32,352)	(2,491)	160,411
Total comprehensive income for the period	-	-	-	(19,407)	(53)	(19,460)
Arising from increase of stakes in subsidiary				(22)	120	98
Share issuance for acquisition of associate	10,000	-	-	-	-	10,000
<b>Balance as of 30 September 2021</b>	<b>185,612</b>	<b>19,642</b>	<b>-</b>	<b>(51,781)</b>	<b>(2,424)</b>	<b>151,049</b>
	<b>Issued Capital</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
<b>Balance as of 1 April 2020</b>	101,817	13,842	630	(56,323)	708	60,674
Total comprehensive income for the period	-	-	-	39,203	(1,706)	37,497
Grant of share issuance scheme	-	-	3,370	-	-	3,370
Exercise of share issuance scheme	13,245	-	(3,408)	-	-	9,837
Share issuance scheme lapsed	-	-	(592)	592	-	-
Warrants expired	-	(13,842)	-	13,842	-	-
Issuance of shares from private placement	13,031	-	-	-	-	13,031
<b>Balance as of 30 September 2020</b>	<b>128,093</b>	<b>-</b>	<b>-</b>	<b>(2,686)</b>	<b>(998)</b>	<b>124,409</b>

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.

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SECOND QUARTER ENDED 30 SEPTEMBER 2021

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>6-MONTHS ENDED</b> <b>30/09/21</b> (Unaudited) RM'000	<b>12-MONTHS ENDED</b> <b>31/03/21</b> (Audited) RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(19,460)	10,760
Adjustment for:		
Non-cash items	19,568	(7,042)
Non-operating items	568	1,156
<b>Operating profit before working capital changes</b>	<b>676</b>	<b>4,874</b>
Net changes in current assets	19,792	(10,546)
Net changes in current liabilities	(16,332)	(10,708)
<b>Cash used in operations</b>	<b>4,136</b>	<b>(16,380)</b>
Interest received	90	-
Interest paid	(659)	-
Net tax paid	(53)	144
<b>Net cash generated from/(used in) operating activities</b>	<b>3,514</b>	<b>(16,236)</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Investment in other investment	(13,804)	(25,842)
Investment in associate	(4,000)	-
Increase in work-in-progress	(1,000)	-
Pledged of fixed deposit	(198)	(105)
Proceeds from disposal of other investment	-	12,029
Proceeds from disposal of plant and equipment	10	70
Purchase of right of use assets	-	(58)
Purchase of property, plant and equipment	(333)	(10,256)
Interest income	-	86
<b>Net cash used in investing activities</b>	<b>(19,325)</b>	<b>(24,076)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Repayment of lease liabilities	(1,397)	(2,817)
Interest paid	-	(1,242)
Repayment of term loan	(8,636)	(963)
Proceeds from issuance of right shares	-	90,068
Proceeds from issuance of shares in subsidiary to NCI	98	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(9,935)</b>	<b>85,046</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(25,746)</b>	<b>44,734</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR</b>	<b>46,089</b>	<b>1,355</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR</b>	<b>20,343</b>	<b>46,089</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE OF:</b>		
Fixed deposits with licensed bank	4,467	4,269
Cash and bank balances	22,336	48,078
Bank overdrafts	(1,993)	(1,989)
	24,810	50,358
Less : Fixed deposits pledged	(4,467)	(4,269)
	<b>20,343</b>	<b>46,089</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 2021 and the accompanying explanatory notes attached to this interim financial statements.



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## **Notes to the Interim Financial Report**

For the second quarter ended 30 September 2021

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### **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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## **Notes to the Interim Financial Report**

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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 except the following:-

- (a) Issuance of 200,000,000 ordinary shares at RM0.05 per share pursuant to the acquisition of 30% of Tree Med Sdn Bhd.

### **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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## Notes to the Interim Financial Report

For the second quarter ended 30 September 2021

### A8. Segmental Reporting (Cont'd)

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

Business Segments	Cloud and IT Services RM'000	Trading RM'000	Property Construction RM'000	Others RM'000	Elimination RM'000	Group RM'000
Current quarter ended 30 September 2021						
Revenue	2,606	2,601	70	81	(287)	5,071
Segment results	(327)	28	(354)	(994)	73	(1,574)
Interest expenses						-
Interest income						42
Share of associate result						874
Loss before tax						(658)
Taxation						-
Loss after tax						(658)
Segment assets	58,750	28,086	23,246	163,361	(86,879)	186,564



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**A8. Segmental Reporting (Cont'd)**

Business Segments	Cloud and IT Services RM'000	Trading RM'000	Property Construction RM'000	Others RM'000	Elimination RM'000	Group RM'000
Current quarter ended 30 September 2020						
Revenue	4,730	3,807	703	81	(268)	9,053
Segment results	576	(2,277)	(271)	29,774	81	27,883
Interest expenses						(199)
Interest income						24
Impairment loss on goodwill						-
Profit before tax						27,708
Taxation						-
Profit after tax						27,708
Segment assets	49,164	26,760	31,106	140,356	(63,280)	184,106

**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**

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





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**A12. Changes in Contingent Assets and Contingent Liabilities**

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

	Group Level	
	As at 30 September 2021 RM'000	As at 31 March 2021 RM'000
Secured		
Fixed deposit pledged to banks for credit facilities granted to subsidiaries	4,467	4,269
Corporate guarantees issued to bank for facility granted to a subsidiary	-	8,637
	<u>4,467</u>	<u>12,906</u>
	Group Level	
	As at 30 September 2021 RM'000	As at 31 March 2021 RM'000
Unsecured		
Corporate guarantees issued to banks for finance lease facility granted to a subsidiary	445	610
Corporate guarantees issued to a leasing company for finance lease facility granted to a subsidiary	2,079	2,306
	<u>2,524</u>	<u>2,916</u>

**A13. Capital Commitments**

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

	As at 30 September 2021 RM'000	As at 31 March 2021 RM'000
Capital expenditure not provided for in the financial statement - authorised and contracted	<u>1,000</u>	<u>2,000</u>
Analysed as follows:		
Plant and equipment	<u>1,000</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 RM5.07 million, 43.98% lower than RM9.05 million recorded in the corresponding quarter last year. This is due to the lower revenue contributed by the trading segment and cloud and IT services segment.

The Group recorded a net loss after taxation of RM0.66 million as compared to the last year corresponding quarter's profit after taxation of RM27.71 million. This is due to the fair value gain on other investments in the corresponding quarter last year amounting to RM31.75 million.

The performance of the respective business segments for the quarter ended 30 September 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 RM2.61 million in the current financial quarter ended 30 September 2021 compared to RM4.73 million recorded in the last year corresponding quarter. This is due to the expiry of a few agreements during the period. The cloud and IT services segment recorded loss before taxation of RM0.33 million compared to profit before taxation of RM0.53 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 RM0.23 million in the current financial quarter ended 30 September 2021 compared to RM0.62 million in the last year corresponding quarter. This is due to the project delivery in the last year corresponding quarter. The kitchen appliances recorded loss before tax of RM0.18 million for the current quarter ended 30 September 2021 compared to profit before tax of RM24,000 in the last year corresponding quarter. This is in line with the decrease in revenue.

The trading of IT and office automation equipment recorded revenue of RM1.34 million for the current quarter under review as compared to RM3.19 million in the last year corresponding quarter. This is due to the decrease in billing during the current quarter under review. The IT and office automation equipment recorded profit before taxation of RM0.20 million as compared to loss before taxation of RM2.43 million in the last year corresponding quarter. This is due to the reversal of impairment loss on receivables amounting to RM0.32 million during the current quarter under review.



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### **B1. Review of Performance (Cont'd)**

2) *Trading of Kitchen Appliances, IT and Office Automation Equipment and Medical Equipment (Cont'd)*

The trading of medical equipment recorded revenue of RM1.33 million and loss before taxation of RM0.08 million.

3) *Property Construction*

The Property Construction has recorded a revenue of RM0.07 million during the quarter compared to RM0.70 million in the last year corresponding quarter. This is due to the lower progress billing of renovation works due to the MCO during the quarter under review. The segment recorded loss before taxation of RM0.35 million during the current quarter as compared to loss before taxation of RM0.27 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 RM5.07 million represents a decrease of RM12.75 million as compared to immediate preceding corresponding quarter revenue of RM17.82 million. This is due to the decrease in revenue for the trading segment.

Current quarter recorded loss after tax of RM0.66 million as compared to the loss after tax of RM18.80 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 immediate preceding quarter.

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



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

1) *Cloud Services*

The cloud services recorded revenue of RM2.61 million in the current financial quarter ended 30 September 2021 as compared to the RM3.44 million in the immediate preceding corresponding quarter. This segment recorded a loss after taxation of RM0.35 million in the current quarter under review as compared to immediate preceding corresponding quarter profit after taxation of RM38,000. This is in line with the decrease in revenue.

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

The kitchen appliances services segment recorded revenue of RM0.20 million in the current financial quarter ended 30 September 2021 as compared to immediate preceding corresponding quarter revenue of RM0.19 million. This segment recorded a loss after taxation of RM0.18 million in the current quarter under review as compared to immediate preceding corresponding quarter loss after taxation of RM0.23 million. This is due to the reversal of impairment loss on receivable and inventories amounting to RM0.05 million during the current quarter under review.

The trading of IT and office automation equipment recorded revenue of RM1.34 million for the current quarter under review as compared to RM1.62 million in the immediate preceding corresponding quarter. The IT and office automation equipment recorded profit before taxation of RM0.20 million as compared to loss before taxation of RM0.17 million in the immediate preceding corresponding quarter. This is due to the reversal of impairment loss on receivable of RM0.32 million during the current quarter under review.

The trading of medical equipment segment recorded revenue of RM1.03 million for the current quarter under review as compared to RM11.83 million in the immediate preceding corresponding quarter. The segment recorded loss before taxation of RM0.08 million as compared to profit before taxation of RM0.65 million in the immediate preceding corresponding quarter. This is in line with the decrease in trading revenue caused by the reduction of ceiling price of test kits set by the Government.

3) *Property Construction*

The construction segment recorded revenue of RM0.07 million in the current financial quarter ended 30 September 2021 as compared to immediate preceding corresponding quarter revenue of RM0.93 million. This is due to the MCO during the quarter under review. The construction segment recorded loss before taxation of RM0.35 million as compared to loss before taxation of RM0.36 million in the immediate preceding corresponding quarter.



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### 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.

### B5. Taxation

	6-months ended 30/09/2021	12-months ended 31/03/2021
	RM'000	Audited RM'000
<b>Income tax</b>		
- Current year provision	-	-
- Under/(over) provision in previous year	-	-
Deferred taxation	-	(45)
Total	-	(45)

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 September 2021 are as below:

	As at 30 September 2021
	RM'000
At cost	45,732
At book value	35,362
At market value	35,362



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### **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.

#### *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.



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**B8. Corporate Proposals (Cont'd)**

*Multiple Proposals (Cont'd)*

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.

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**

<b>As at 30 September 2021</b>	<b>Short-term RM'000</b>	<b>Long-term RM'000</b>	<b>Total RM'000</b>
<b>Secured</b>			
Hire purchase	309	338	647
Other lease liabilities	2,205	2,387	4,592
Bank overdraft	1,993	-	1,993
<b>Total</b>	<b>4,507</b>	<b>2,725</b>	<b>7,232</b>



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**B9. Group Borrowings (Cont'd)**

As at 31 March 2021	Short-term RM'000	Long-term RM'000	Total RM'000
<b>Secured</b>			
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

**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	
	30/09/2021 RM'000	30/09/2020 RM'000	30/09/2021 RM'000	30/09/2020 RM'000
Bad debts written off	-	(78)	-	(78)
Depreciation & amortization	(1,351)	(1,634)	(2,778)	(3,262)
Fair value adjustment on other investment	(194)	31,745	(18,275)	45,682
Allowance for expected credit losses of trade and other receivables	(97)	104	(97)	(456)
Impairment loss on goodwill	-	-	-	(1,972)





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**B13. (Loss)/Profit Before Tax (Cont'd)**

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

Reversal/(Impairment loss) on inventories	27	(2,000)	27	(2,000)
Interest expense	-	(199)	(659)	(413)
Share-based payment	-	(3,254)	-	(3,371)
And crediting:-				
Interest income	42	24	91	47
Gain on disposal of other investment	-	2,094	-	2,094
Gain on disposal of subsidiary	-	7	-	7
Reversal of impairment loss on receivables	335	25	686	25

**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	(11,100)	Within 12 months from completion
Estimated expenses for the Corporate Exercises	110	(110)	Upon completion



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### B14. Status of utilisation of proceeds (Cont'd)

#### *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			
- Purchase of Covid-19 RT PCR Test Kit, and other in vitro diagnostic devices and/or medical equipment/devices	28,995	(13,850)	Within 12 months from completion
- Staff related costs	1,000	(110)	Within 12 months from completion
- Marketing & Advertising costs	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	(2,821)	Within 12 months from completion
Estimated expenses for the Corporate Exercises	700	(700)	Upon completion

### 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	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
Net (loss)/profit for the period attributable to ordinary equity holders of the Company (RM'000)	(720)	28,291	(19,407)	39,203
Weighted average number of ordinary shares in issue ('000)	2,386,003	773,501	2,386,003	773,501
(Loss)/Earnings per share (sen)	(0.03)	3.74	(0.81)	5.07

#### **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.