KEY ALLIANCE GROUP BERHAD

Registration No.: 200301007533 (609953-K)

(Incorporated in Malaysia)

FIRST QUARTER ENDED 30 JUNE 2026

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

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	2026	**2025**		**2026**	**2025**	
	CURRENT QUARTER	**PRECEDING YEAR CORRESPONDING QUARTER**	***Changes***	**CURRENT YEAR TO DATE**	**PRECEDING YEAR CORRESPONDING PERIOD**	***Changes***
	30/06/2026	**30/06/2025**	*%*	**30/06/2026**	**30/06/2025**	*%*
	RM'000	RM'000		RM'000	RM'000	
REVENUE	1,369	1,948	*-30%*	1,369	1,948	*-30%*
Operating expenses	(1,319)	(3,265)	*-60%*	(1,319)	(3,265)	*-60%*
Other income	-	1,159	*-100%*	-	1,159	*-100%*
Interest income	149	15	*893%*	149	15	*893%*
Interest expense	(180)	(51)	*253%*	(180)	(51)	*253%*
Fair value adjustment on other investment	574	(6,534)	*-109%*	574	(6,534)	*-109%*
Share of associate result	(631)	389	*-262%*	(631)	389	*-262%*
Loss before tax	(1,407)	(8,287)	*-83%*	(1,407)	(8,287)	*-83%*
Taxation	-	-	-	-	-	-
Loss after taxation	(1,407)	(8,287)	*-83%*	(1,407)	(8,287)	*-83%*
Loss attributable to:						
Equity holders of the company	(1,320)	(8,380)	*-84%*	(1,320)	(8,380)	*-84%*
Non-controlling interest	(87)	93	*-194%*	(87)	93	*-194%*
Loss after taxation	(1,407)	(8,287)	*-83%*	(1,407)	(8,287)	*-83%*
Weighted average number of shares in issue ('000)	122,602	122,602		122,602	122,602	
Loss per share (sen) - basic	(1.08)	(6.84)		(1.08)	(6.84)	

The Unaudited Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2026 and the accompanying explanatory notes attached to this interim financial statements.

KEY ALLIANCE GROUP BERHAD

Registration No.: 200301007533 (609953-K)

(Incorporated in Malaysia)

FIRST QUARTER ENDED 30 JUNE 2026

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 30/6/2026 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31/3/2026 (Audited)
ASSETS	RM'000	RM'000
Non-current Assets		
Property, Plant and Equipment	26,883	27,828
Right of use assets	1,326	1,416
Investment properties	20,900	20,900
Development Expenditure	-	-
Investment in Associate	11,586	12,217
Other investment	12,903	13,495
	73,598	**75,856**
Current Assets		
Trade and other receivables	6,829	6,665
Tax recoverable	191	187
Fixed deposits with licensed banks	2,938	2,925
Cash and bank balances	872	1,064
	10,830	**10,841**
TOTAL ASSETS	**84,428**	**86,697**
EQUITY AND LIABILITIES		
Capital and Reserves		
Issued capital	97,399	97,399
Accumulated loss	(28,522)	(27,202)
	68,877	**70,197**
Non-controlling interest	(5,660)	(5,573)
Total Equity	**63,217**	**64,624**
Non-current Liabilities		
Deferred tax liabilities	577	577
Contract liabilities	-	39
Lease liabilities	1,094	1,187
	1,671	**1,803**
Current Liabilities		
Trade and other payables	16,144	16,187
Bank overdrafts	1,993	1,994
Contract liabilities	1,050	1,203
Lease Liabilities	353	886
	19,540	**20,270**
Total Liabilities	**21,211**	**22,073**
TOTAL EQUITY AND LIABILITIES	**84,428**	**86,697**
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.5618	0.5726

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjuction with the Audited Financial Statements for the financial year ended 31 March 2026 and the accompanying explanatory notes attached to this interim financial statements.

KEY ALLIANCE GROUP BERHAD
Registration No.: 200301007533 (609953-K)
(Incorporated in Malaysia)
FIRST QUARTER ENDED 30 JUNE 2026

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Warrant Reserve	Accumulated Loss	Non - Controlling Interest	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as of 1 April 2026	97,399	-	(27,202)	(5,573)	64,624
Total comprehensive loss for the period	-	-	(1,320)	(87)	(1,407)
Balance as of 30 June 2026	97,399	-	(28,522)	(5,660)	63,217

	Issued Capital	Warrant Reserve	Accumulated Loss	Non - Controlling Interest	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as of 1 April 2025	193,399	-	(105,363)	(5,234)	82,802
Total comprehensive loss for the period	-	-	(8,380)	93	(8,287)
Share capital reduction	(96,000)	-	96,000	-	-
Balance as of 30 June 2025	97,399	-	(17,743)	(5,141)	74,515

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2026 and the accompanying explanatory notes attached to this interim financial statements.

KEY ALLIANCE GROUP BERHAD

Registration No.: 200301007533 (609953-K)

(Incorporated in Malaysia)

FIRST QUARTER ENDED 30 JUNE 2026

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	3-MONTHS ENDED 30/06/2026 (Unaudited) RM'000	12-MONTHS ENDED 31/03/2026 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(1,407)	(18,144)
Adjustment for:		
Non-cash items	1,492	13,678
Non-operating items	185	135
Operating profit/(loss) before working capital changes	**270**	**(4,331)**
Net changes in current assets	(287)	1,325
Net changes in current liabilities	(236)	(2,587)
Cash generated from/(used in) operations	**(253)**	**(5,593)**
Interest received	(56)	56
Interest paid	(129)	(191)
Net tax received/(paid)	(4)	(53)
Net cash generated from/(used in) operating activities	**(442)**	**(5,781)**
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of other financial assets	-	(385)
Dividend received	-	1,000
Investment in other investment	890	-
(Pledged)/Withdrawal of fixed deposit	(13)	(46)
Proceeds from disposal of investment properties	-	5,150
Proceeds from disposal of other financial assets	-	385
Purchase of intangible assets	-	(24)
Purchase of property, plant and equipment	-	(45)
Interest income	-	56
Net cash generated from investing activities	**877**	**6,091**
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of lease liabilities	(626)	(718)
Interest paid	-	(227)
Net cash used in financing activities	**(626)**	**(945)**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(191)**	**(635)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**(930)**	**(295)**
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**(1,121)**	**(930)**
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Fixed deposits with licensed bank	2,938	2,925
Cash and bank balances	872	1,064
Bank overdrafts	(1,993)	(1,994)
	1,817	1,995
Less : Fixed deposits pledged	(2,938)	(2,925)
	(1,121)	**(930)**

The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2026 and the accompanying explanatory notes attached to this interim financial statements.

KEY ALLIANCE GROUP BERHAD
Registration No.: 200301007533 (609953-K)
(Incorporated in Malaysia)

Notes to the Interim Financial Report

For the first quarter ended 30 June 2026

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 2026.

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 2026.

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 2026.

A2. Auditors' Report

The auditors' report for the Group's annual financial statements for the financial year ended 31 March 2026 was qualified and the details of the qualification are as described belows:-

1.2 Qualified opinion

We have audited the accompanying financial statements which comprise the statements of financial position of the Group and of the Company as at 31 March 2026, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including the material accounting policy information.

In our opinion, except for the effects of the matters as described in paragraph below, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2026, and of their financial performance and their cash flows for the year then ended in accordance with the Companies Act 2016 (the "Act") and the Malaysian Financial Reporting Standards.

Basis for qualified opinion

Included in the consolidated income statement is the Group's share in the profit after taxation of an associate, Modern Falcon Sdn Bhd ("MFSB"), of RM1,640,636. As we are not provided with the access to the management, accounting records and auditors of this component, which we do not act as the auditors, we were not able to carry out the necessary procedures to obtain sufficient appropriate evidence required under ISA 600 (Revised) Special Considerations - Audits of Group Financial Statements (Including the Work of Component Auditors) to satisfy ourselves as to the fairness of the amount recognised and its consequential impact on the carrying amount of the Group's investment in associates.

A2. Auditors' Report (Cont'd)

We conducted our audit in accordance with the Approved Standards on Auditing in Malaysia and the International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Group in accordance with the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the MIA By-Laws and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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.

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. The Group's reportable segments were identified as follows:

- Cloud and IT Services – Provision of cloud and disaster recovery services
- Trading, IT and office automation and medical equipment– Provision of distributing and reselling of IT-related product and office automation and services

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

Business Segments	Cloud and IT Services	Trading	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
Current quarter ended 30 June 2026					
Revenue	1,369	-	90	(90)	1,369
Segment results	(1,288)	(89)	630	138	(609)
Interest expenses					(43)
Interest income					13
Share associate of result					(631)
Loss before tax					(1,270)
Taxation					-
Loss after tax					(1,270)
Segment assets	29,770	9,880	73,578	(28,801)	84,427

Business Segments	Cloud and IT Services	Trading	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
Current quarter ended 30 June 2025					
Revenue	1,608	377	45	(82)	1,948
Segment results	(1,751)	(155)	(6,886)	152	(8,640)
Interest expenses					(51)
Interest income					15
Share associate of result					389
Loss before tax					(8,287)
Taxation					-
Loss after tax					(8,287)
Segment assets	34,440	22,034	87,647	(43,286)	100,835

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 material events subsequent to the end of the current quarter that have not been reflected in the financial statement for this current financial quarter under review.

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.

A12. Changes in Contingent Assets and Contingent Liabilities

There was no material contingent assets or contingent liabilities for the current quarter under review.

A13. Capital Commitments

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

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

B1. Review of Performance

The Group recorded revenue of RM1.37 million, 29.72% lower than RM1.95 million recorded in the corresponding quarter last year. This is due to the lower revenue contributed by all the segments.

The Group recorded a net loss after taxation of RM1.27 million as compared to last year's corresponding quarter's loss after taxation of RM8.29 million. This is mainly due to the decrease in fair value loss on other investment.

The performance of the respective business segments for the quarter ended 30 June 2026 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 RM1.37 million for the current financial quarter ended 30 June 2026 compared to RM1.61 million recorded in the last year corresponding quarter. The cloud and IT services segment recorded loss before taxation of RM1.39 million compared to loss before taxation of RM1.75 million in the last year corresponding quarter.

2) Trading

The trading segment recorded nil revenue for the current financial quarter ended 30 June 2026 compared to RM0.38 million in the last year corresponding quarter. The trading segment recorded loss before taxation of RM0.09 million as compared to loss before taxation of RM0.16 million in the last year corresponding quarter.

B2. Future Prospect

The Board is of the view that more companies and enterprises recognising the critical importance of cloud technologies. Looking ahead, the Group plans to strategically focus its resources on the Cloud and IT segment to fully leverage the growing demand for digitization. As industries continue to undergo digital transformation, the Group is well-positioned to capture significant portion of the expanding market for cloud-based solutions. In addition to driving growth through its cloud offerings, the Group remains committed to actively monitoring market trends. This vigilance allows the Group to adapt its strategies in response to changing conditions, minimizing risks such as shift in client needs while simultaneously identifying and capitalising on emerging opportunities.

In the past three years, the Group was faced with some challenging periods, brought on by Covid-19. The unprecedented fallout of this pandemic caused the Group to attempt to pivot to numerous industries in E-Commerce, Medical Trading and Consumer goods trading.

As the economy streamlines and consolidates, market behavioural patterns have emerged that the Group has reacted by restructuring and reorganising its focus.

The current AI focus in the world will see continuous drive in IT services, cloud platforms usage and data center services.

The Group's challenge now is to ensure it remains at the forefront of technology adoption.

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

For the current quarter under review, the Group’s revenue was RM1.37 million which is lower by RM0.49 million as compared to immediate preceding quarter revenue of RM1.86 million.

The current quarter recorded loss after tax of RM1.27 million as compared to the loss after tax of RM6.45 million for the immediate preceding quarter. This is in line with the decrease in revenue and increase the fair value gain on other investments during the quarter amounting to 0.57 million as compared to fair value loss on other investments amounting to RM1.14 million in the immediate preceding quarter.

The performance of the respective business segments for the quarter ended 30 June 2026 as compared to the immediate preceding corresponding quarter is analysed as follows:-

1) Cloud Services

The cloud services recorded revenue of RM1.37 million during the current financial quarter ended 30 June 2026 as compared to the RM1.54 million in the immediate preceding corresponding quarter. This segment recorded a loss after taxation of RM1.29 million in the current quarter under review as compared to immediate preceding corresponding quarter loss after taxation of RM1.67 million.

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

2) Trading

The trading segment recorded nil revenue in the current financial quarter ended 30 June 2026 as compared to immediate preceding corresponding quarter revenue of RM0.35 million. This segment recorded a loss after taxation of RM0.09 million in the current quarter under review as compared to immediate preceding corresponding quarter loss after taxation of RM5.55 million.

.

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

	3-months ended 30/06/2026 RM'000	12-months ended 31/03/2026 Audited RM'000
Income tax		
- Current year provision	-	(34)
- Under provision in previous year	-	-
Deferred taxation	-	-
Total	-	(34)

Income tax is calculated at the Malaysian statutory tax rate of 24% (2026: 24%) of the estimated assessable profit for the year.

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

On 1 June 2026, GE Green Sdn Bhd, the subsidiary of the Group, entered into multiple sale and purchase agreements to dispose of one unit of its five-storey shop lot investment property for a total cash consideration of RM5,400,000.00

B7. Purchase and Disposal of Quoted Securities

(a) The details of the investment in quoted shares as at 30 June 2026 are as below:

	As at 30 June 2026
	RM'000
At cost	68,842
At book value	12,903

B8. Corporate Proposals

There was no corporate proposal announced for the quarter under review.

B9. Group Borrowings

As at 30 June 2026	**Short-term RM'000**	**Long-term RM'000**	**Total RM'000**
Secured			
Other lease liabilities	353	1,094	1,447
Bank overdraft	1,993	-	1,993
Total	2,346	1,094	3,440

As at 31 March 2026	**Short-term RM'000**	**Long-term RM'000**	**Total RM'000**
Secured			
Other lease liabilities	886	1,187	2,073
Bank overdraft	1,994	-	1,994
Total	2,880	1,187	4,067

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 Before Tax

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

	Quarter Ended		**Cumulative Year-To-Date Ended**	
	30/06/2026 RM'000	**30/06/2025 RM'000**	**30/062026 RM'000**	**30/06/2025 RM'000**
Auditors' remuneration	48,323	42,123	48,323	42,123
Directors' remuneration & fees	91,500	139,500	91,500	139,500
Depreciation & amortization	1,006	1,008	1,006	1,008
Fair value adjustment on other investment / quoted shares	(574)	6,534	(574)	6,534
Interest expenses	43	51	43	51
Allowance/(Reversal) for expected credit losses and impairment losses of trade and other receivables	85	124	85	124
Interest income	(13)	(15)	(13)	(15)
Rental income	(75)	(144)	(75)	(144)
Dividend received	-	(1,000)	-	(1,000)

Notes to the Interim Financial Report
For the first quarter ended 30 June 2026

B14. Status of utilisation of proceeds

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 2026, the status of the utilisation of the proceeds raised is as follow:

Purpose	Proposed Utilisation RM'000	Variation RM'000	Revised Utilisation of Proceeds RM'000	Revised 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	1,388	30,383	(30,383)	Within 12 months from completion
- *Staff related costs*	1,000	-	1,000	(837)	Within 12 months from completion
- *Marketing & Advertising costs*	5,000	(2,400)	2,600	(436)	Within 12 months from completion
Repayment of bank borrowings	9,600	-	9,600	(9,600)	Within 6 months from completion
Working capital	3,810	1,012	4,822	(4,822)	Within 12 months from completion
Estimated expenses for the Corporate Exercises	700	-	700	(700)	Upon completion

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

Private Placement I

On 23 December 2021, the Private Placement I has been completed with the listing of 510,861,906 placement shares on the ACE Market of Bursa Malaysia Securites Berhad. As at 30 June 2026, the status of the utilisation of the proceeds raised is as follow:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation
Development of an electronic-commerce marketplace/platform for medical equipment, devices and related products	6,787	(5,186)	Within 12 months from completion
Estimated expenses	110	(92)	Upon completion

Private Placement II

On 13 April 2022, the Private Placement II has been completed with the listing of 613,000,000 placement shares on the ACE Market of Bursa Malaysia Securites Berhad. As at 30 June 2026, the status of the utilisation of the proceeds raised is as follow:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation
Data centre maintenance and upgrade	2,070	(2,070)	Within 12 months from completion
Software development / expansion for agricultural cloud-based business	1,274	(839)	Within 12 months from completion
Working capital	1,589	(1,402)	Within 18 months from completion
Estimated expenses in relation to the proposals	400	(400)	Upon completion

Notes to the Interim Financial Report

For the first quarter ended 30 June 2026

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**	
	30/06/2026	**30/06/2025**	**30/06/2026**	**30/06/2025**
Net loss for the period attributable to ordinary equity holders of the Company (RM'000)	(1,320)	(8,380)	(1,320)	(8,380)
Weighted average number of ordinary shares in issue ('000)	122,602	122,602	122,602	122,602
Loss per share (sen)	(1.08)	(6.84)	(1.08)	(6.84)