# SIGNATURE ALLIANCE GROUP BERHAD

Registration No. 202401001316 (1547167-T)
(Incorporated in Malaysia)

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2026

M & A Securities Sdn Bhd ("**M&A**"), being the Sponsor, is responsible for the admission of Signature Alliance Group Berhad ("**SAG**") to the ACE Market of Bursa Malaysia Securities Berhad on 5 June 2025. M&A assumes no responsibility for the contents of the unaudited interim financial report for the second quarter ended 30 June 2026.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2026 [(1)]**

| | | Individual Quarter | | Cumulative Quarter | |
|---|---|---|---|---|---|
| | | **Unaudited Current Quarter** | **Unaudited Preceding Year Corresponding Quarter** | **Unaudited Current Period-to-date** | **Unaudited Preceding Year Corresponding Period-to-date** |
| | | **30.06.2026** | **30.06.2025** | **30.06.2026** | **30.06.2025** |
| | **Note** | **RM'000** | **RM'000** | **RM'000** | **RM'000** |
| Revenue | | 58,918 | 118,126 | 147,762 | 265,327 |
| Cost of sales | | (44,386) | (96,770) | (112,737) | (214,885) |
| **Gross profit** | | **14,532** | **21,356** | **35,025** | **50,442** |
| Other income | | 1,725 | 540 | 2,342 | 659 |
| Administrative expenses | | (9,559) | (10,702) | (18,283) | (17,947) |
| Other expenses | | (602) | (374) | (1,193) | (707) |
| Net (loss)/gain on impairment of financial instruments and contract assets | | - | 35 | - | 35 |
| Finance costs | | (645) | (669) | (1,236) | (1,330) |
| **Profit before tax** | | **5,451** | **10,186** | **16,655** | **31,152** |
| Tax expenses | B5 | (1,824) | (3,427) | (4,513) | (8,642) |
| **Profit after tax, representing total comprehensive income for the financial period** | | **3,627** | **6,759** | **12,142** | **22,510** |
| **Profit after tax, representing total comprehensive income for the financial period attributable to:** | | | | | |
| Owners of the Company | | **3,627** | **6,759** | **12,142** | **22,510** |
| **Earnings per share ("EPS") attributable to Owners of the Company** | | | | | |
| Basic EPS (sen) | B11 | (2) **0.36** | (3) **0.83** | (2) **1.21** | (3) **2.90** |
| Diluted EPS (sen) | B11 | (2) **0.36** | (3) **0.83** | (2) **1.21** | (3) **2.90** |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2026 (1) (CONTINUED)**

**NOTES:**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

(2) Basic EPS is calculated based on the Company's weighted average number of ordinary shares in issue of 1,000,000,000 for both current quarter and cumulative quarter ended 30 June 2026 respectively. Diluted EPS is equivalent to the basic EPS as the Company does not have any convertible securities as at the end of the current financial quarter and period-to-date.

(3) Basic EPS is calculated based on the Company's weighted average number of ordinary shares in issue of 814,286,000 and 777,348,000 for current quarter and cumulative quarter ended 30 June 2025 respectively. Diluted EPS is equivalent to the basic EPS as the Company does not have any convertible options as at the end of the preceding year corresponding financial quarter and period-to-date.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026 (1)**

| | Note | Unaudited<br>As at<br>30.06.2026<br>RM'000 | Audited<br>As at<br>31.12.2025<br>RM'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | | 10,996 | 11,548 |
| Right-of-use assets | | 9,501 | 10,041 |
| Investment properties | | 5,630 | 5,630 |
| Other financial assets | | 385 | 385 |
| **Total non-current assets** | | **26,512** | **27,604** |
| | | | |
| **Current assets** | | | |
| Inventories | | 1,818 | 71 |
| Contract assets | | 163,048 | 151,007 |
| Trade receivables | | 50,500 | 74,149 |
| Other receivables | | 7,089 | 5,057 |
| Amount due from ultimate holding company | | - | 15,816 |
| Amount due from related companies | | 2,028 | 901 |
| Tax recoverable | | 7 | 6 |
| Other investments | | 28,658 | 2,024 |
| Fixed deposits with licensed banks | | 39,524 | 67,811 |
| Cash and bank balances | | 67,726 | 88,144 |
| **Total current assets** | | **360,398** | **404,986** |
| | | | |
| Asset held for sale | | - | 1,530 |
| | | | |
| **Total assets** | | **386,910** | **434,120** |

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026 (1) (CONTINUED)**

| | Note | Unaudited As at 30.06.2026 RM'000 | Audited As at 31.12.2025 RM'000 |
|---|---|---|---|
| **Equity** | | | |
| Share capital | | 196,645 | 196,645 |
| Merger reserves | | (35,684) | (35,684) |
| Revaluation reserves | | 3,673 | 3,673 |
| Retained earnings | | 84,823 | 72,681 |
| **Total equity** | | **249,457** | **237,315** |
| | | | |
| **Non-current liabilities** | | | |
| Lease liabilities | | 1,295 | 2,163 |
| Bank borrowings | B8 | 3,603 | 3,519 |
| Deferred tax liabilities | | 850 | 1,383 |
| **Total non-current liabilities** | | **5,748** | **7,065** |
| | | | |
| **Current liabilities** | | | |
| Contract liabilities | | 5,855 | 10,627 |
| Trade payables | | 66,970 | 116,294 |
| Other payables | | 9,974 | 8,890 |
| Amount due to ultimate holding company | | - | 8 |
| Amount due to intermediate holding company | | 7 | (2) - |
| Amount due to immediate holding company | | 95 | 273 |
| Amount due to related companies | | 684 | 3,414 |
| Lease liabilities | | 1,315 | 878 |
| Bank borrowings | B8 | 38,756 | 39,110 |
| Tax payable | | 8,049 | 10,246 |
| **Total current liabilities** | | **131,705** | **189,740** |
| **Total liabilities** | | **137,453** | **196,805** |
| **Total equity and liabilities** | | **386,910** | **434,120** |
| | | | |
| **Net assets per share (RM) (3)** | | 0.25 | 0.24 |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026 (1) (CONTINUED)**

**NOTES:**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

(2) Represents less than RM100.

(3) Net assets per share as at 30 June 2026 and 31 December 2025 are calculated based on the Company's share capital of 1,000,000,000 ordinary shares.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2026 (1)**

| | Attributable to Owners of the Company | | | | | |
|---|---|---|---|---|---|---|
| | | Non-distributable | | | Distributable | |
| | Share Capital | Invested Equity | Merger Reserves | Revaluation Reserves | Retained Earnings | Total Equity |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| **At 1 January 2025 (Audited)** | (2) - | 2,500 | - | 3,673 | 59,962 | 66,135 |
| Profit after tax, representing total comprehensive income for the financial year | - | - | - | - | 42,719 | 42,719 |
| **Transactions with owners** | | | | | | |
| Acquisition of subsidiaries | 38,184 | (2,500) | (35,684) | - | - | - |
| Dividend paid | - | - | - | - | (30,000) | (30,000) |
| Issuance of shares | 161,200 | - | - | - | - | 161,200 |
| Share issuance expenses | (2,739) | - | - | - | - | (2,739) |
| Total transactions with owners | 196,645 | (2,500) | (35,684) | - | (30,000) | 128,461 |
| **At 31 December 2025 (Audited)** | 196,645 | - | (35,684) | 3,673 | 72,681 | 237,315 |
| Profit after tax, representing total comprehensive income for the financial period | - | - | - | - | 12,142 | 12,142 |
| **At 30 June 2026 (Unaudited)** | **196,645** | **-** | **(35,684)** | **3,673** | **84,823** | **249,457** |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2026 [1] (CONTINUED)**

**NOTES:**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

(2) Represents less than RM100.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2026 (1)**

| | Unaudited Current Period-to-date 30.06.2026 RM'000 | Audited Preceding Period-to-date 31.12.2025 RM'000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before tax | 16,655 | 60,264 |
| Adjustments for: - | | |
| Depreciation of property, plant and equipment | 639 | 937 |
| Depreciation of right-of-use assets | 540 | 700 |
| Impairment losses on: | | |
| - amount due from related companies | - | 12 |
| - trade receivables | - | 2,127 |
| - contract assets | - | 238 |
| Waiver of late interest charges | - | 86 |
| Fair value loss/(gain) on: | | |
| - investment properties | - | 155 |
| - other financial assets | - | (14) |
| Gain on disposal of: | | |
| - property, plant and equipment | (2) | (142) |
| - other investments | (1,056) | - |
| Property, plant and equipment written off | 12 | - |
| Reversal of impairment losses on: | | |
| - trade receivables | - | (339) |
| - contract assets | - | (72) |
| Finance costs | 1,236 | 2,646 |
| Interest income | (846) | (2,291) |
| Income from other investments | (297) | (24) |
| **Operating profit before working capital changes** | **16,881** | **64,283** |
| Changes in working capital: | | |
| Inventories | (1,747) | (33) |
| Trade and other receivables | 22,892 | 21,759 |
| Contract assets and contract liabilities | (20,373) | (46,787) |
| Trade and other payables | (48,869) | (8,651) |
| Amount due from/(to) ultimate holding company | 19,369 | (15,816) |
| Amount due from/(to) related companies | (3,202) | 3,662 |
| Cash (used in)/generated from operations | (15,049) | 18,417 |
| Income from other investments | 297 | 24 |
| Interest received | 595 | 1,897 |
| Income tax paid | (7,244) | (14,519) |
| Tax refund | - | 21 |
| **Net cash (used in)/from operating activities** | **(21,401)** | **5,840** |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2026 [(1)] (CONTINUED)**

| | Unaudited Current Period-to-date 30.06.2026 RM'000 | Audited Preceding Period-to-date 31.12.2025 RM'000 |
|---|---|---|
| **Cash flows for investing activities** | | |
| Purchase of property, plant and equipment | (99) | (2,908) |
| Purchase of right-of-use assets | - | (338) |
| Purchase of other investments | (9,331) | - |
| Proceeds from disposal of: | | |
| - property, plant and equipment | 2 | 142 |
| - investment properties | 1,530 | - |
| **Net cash used in investing activities** | **(7,898)** | **(3,104)** |
| **Cash flows for financing activities** | | |
| Interest paid | (1,236) | (2,646) |
| Repayment of lease liabilities | (431) | (908) |
| Net proceeds from bankers' acceptance | (398) | 8,057 |
| Drawdown of term loans | 223 | - |
| Repayment of term loans | (94) | (10,211) |
| Decrease/(Increase) in fixed deposits pledged with licensed banks | 3,263 | (4,010) |
| Dividend paid | - | (38,106) |
| Proceeds from issuance of share capital | - | 161,200 |
| Payment of share issuance expenses | | (2,739) |
| Net changes in amount due to ultimate holding company | - | 8 |
| Net changes in amount due to intermediate holding company | 7 | [(2)] - |
| Net changes in amount due to immediate holding company | (178) | 273 |
| Net changes in amount due to related companies | (28) | 46 |
| **Net cash from financing activities** | **1,128** | **110,964** |
| Net (decrease)/increase in cash and cash equivalents | (28,171) | 113,700 |
| Cash and cash equivalents at beginning of the financial period | 150,682 | 36,982 |
| **Cash and cash equivalents at end of the financial period** | **122,511** | **150,682** |
| **Cash and cash equivalent at the end of the financial period comprises:** | | |
| Cash and bank balances | 67,726 | 88,144 |
| Fixed deposits with licensed banks | 39,524 | 67,811 |
| Other investments | 19,327 | 2,024 |
| | 126,577 | 157,979 |
| Less: Fixed deposits pledged with licensed banks | (4,066) | (7,297) |
| | **122,511** | **150,682** |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2026 [(1)] (CONTINUED)**

**NOTES:**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

(2) Represents less than RM100.

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**PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING**

**Notes To the Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2026**

## A1. BASIS OF PREPARATION

The interim financial report of SAG and its subsidiary ("**the Group**") are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("**MFRS**") 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Boards ("**MASB**") and Rule 9.22 and Appendix 9B of the Listing Requirements.

The interim financial report should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

## A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and presentation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Company's audited financial statements for the financial year ended 31 December 2025.

The Group has adopted the following amendments to standards issued by MASB that are mandatory for the current financial period:

| **MFRS (including the consequential amendments)** | | **Effective Date** |
|---|---|---|
| Amendments to MFRS 9 and MFRS 7 | Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| Amendments to MFRS 9 and MFRS 7 | Contracts Referencing Nature-dependent Electricity | 1 January 2026 |
| Annual Improvements to MFRS Accounting Standards - Volume 11<br>• Amendments to MFRS 1<br>• Amendments to MFRS 7<br>• Amendments to MFRS 9<br>• Amendments to MFRS 10<br>• Amendments to MFRS 107 | | 1 January 2026 |

The Group has not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Group:

| **MFRS (including the consequential amendments)** | | **Effective Date** |
|---|---|---|
| MFRS 18 | Presentation and Disclosure in Financial Statements | 1 January 2027 |
| MFRS 19 | Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| Amendments to MFRS 19 | Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| Amendments to MFRS 121 | Translation to a Hyperinflationary Presentation Currency | 1 January 2027 |
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred until further notice |

The Group intends to adopt these new standards and amendments to standards, if applicable, when they become effective.

**PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING (CONTINUED)**

**A2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The initial application of the abovementioned new standards and amendments to standards are not expected to have any material impact on the financial statements of the Group except as disclosed below:

MFRS 18 *Presentation and Disclosure in Financial Statements*

MFRS 18 will replace MFRS 101 *Presentation of Financial Statements*. It preserves the majority requirements of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows* and some requirements of MFRS 101 have been moved to MFRS 108 *Basis of Preparation of Financial Statements*.

MFRS 18 additional requirements are as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income

MFRS 18 introduces newly defined "operating profit or loss" and "profit or loss before financing and income tax" subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remains unchanged. Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

(ii) Statement of Cash Flows

The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from "profit or loss" to "operating profit or loss". It also provides guidance on classification of interest and dividend in statement of cash flows.

(iii) New disclosures of expenses by nature

Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

(iv) Management-defined Performance Measures (MPMs)

The standard requires disclosure of explanations of the entity's company-specific measures that are related to the statements of profit or loss, referred to MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

(v) Enhanced Guidance on Aggregation and Disaggregation

MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is material.

The potential impact of the new standard on the financial statements of the Group and of the Company have yet to be assessed.

**PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING (CONTINUED)**

**A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2025.

**A4. SEASONAL OR CYCLICAL FACTORS**

The business operations of the Group were not affected by any seasonal or cyclical trend.

**A5. ITEMS OR INCIDENCE OF AN UNUSUAL NATURE**

There were no unusual items affecting the assets, liabilities, equity, net income and cash flows during the current quarter and cumulative quarter ended 30 June 2026.

**A6. MATERIAL CHANGES IN ACCOUNTING ESTIMATES**

There were no material changes in accounting estimates during the current quarter and period-to-date ended 30 June 2026.

**A7. DEBT AND EQUITY SECURITIES**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter and period-to-date ended 30 June 2026.

**A8. DIVIDEND PAID**

Save as disclosed in Note B10, there was no dividend paid during the current quarter and period-to-date ended 30 June 2026.

**A9. SEGMENTAL INFORMATION**

The Group principally involved in the provision of interior fitting-out services, which represents its sole operating segment. This is consistent with the internally generated reports reviewed by Board of Directors to make strategic decisions.

The Group operates predominantly in Malaysia and hence, no geographical segment presented.

**A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES**

There was no valuation of property, plant and equipment and investment properties during the current quarter and cumulative quarter ended 30 June 2026.

**PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING (CONTINUED)**

## A11. MATERIAL SUBSEQUENT EVENTS

On 1 July 2026, SAG entered into a share sale agreement with Space Alliance Contracts Sdn. Bhd. ("SAC") to acquire the entire equity interest in Space Alliance Furniture Sdn. Bhd. ("SAF") comprising 150,000 ordinary shares for a total cash consideration of RM1. The acquisition of SAF was completed on 1 July 2026.

On 1 July 2026, SAF entered into a share sale agreement with Space Alliance Contracts Sdn. Bhd. ("SAC") to acquire the entire equity interest in SAF Manufacturing Sdn. Bhd. ("SAFM") comprising 100 ordinary shares for a total cash consideration of RM1. The acquisition of SAFM was completed on 1 July 2026.

On 2 July 2026, SAG declared an interim dividend of RM0.01 per ordinary share amounting to RM10,000,000 in respect of the financial year ending 31 December 2026 which is to be paid on 30 July 2026 to shareholders of the Company whose names appear in the Record of Depositors on 17 July 2026.

On 14 July 2026, SAG entered into a conditional subscription agreement with Myagmo Innovative Solutions Sdn. Bhd. ("Myagmo") for the subscription of 104,082 new ordinary shares in Myagmo for a total cash consideration of RM661,486. The subscription was completed on 27 July 2026. Subsequent to the issuance of new shares, Myagmo became a 51%-owned subsidiary of the Company.

Save as disclosed above, there were no other material events subsequent to the end of the current quarter under review that have not been reflected in this interim financial report.

## A12. CHANGES IN THE COMPOSITION OF THE GROUP

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

## A13. CAPITAL COMMITMENTS

Save as disclosed below, the Group does not have any other material capital commitments as at the date of this interim financial report.

| | Current Period-to-date 30.06.2026 RM'000 | Preceding Year Corresponding Period-to-date 30.06.2025 RM'000 |
|---|---|---|
| **Approved but not contracted for** | | |
| Set up corporate office and production facility in Selangor | 118,000 | 118,000 |
| Purchase of machinery and equipment | 4,000 | 4,000 |
| Establishment of branch offices in Pulau Pinang and Johor | 12,000 | 12,000 |
| **Contracted but not provided for** | | |
| Purchase of investment properties | 1,850 | 1,850 |

**PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING (CONTINUED)**

**A14. CONTINGENT LIABILITIES**

Save as disclosed below, the Group does not have any other contingent liabilities which will or may substantially affect the financial results or position upon becoming enforceable as at the date of this interim financial report.

| | Group | | Company | |
|---|---|---|---|---|
| | Unaudited | Audited | Unaudited | Audited |
| | As at | As at | As at | As at |
| | 30.06.2026 | 31.12.2025 | 30.06.2026 | 31.12.2025 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| **Secured** | | | | |
| Banker's guarantee and performance bond in favour of third parties | 18,872 | 18,049 | - | - |
| **Unsecured** | | | | |
| Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries | - | - | 34,259 | 34,219 |
| | 18,872 | 18,049 | 34,259 | 34,219 |

**A15. SIGNIFICANT RELATED PARTY TRANSACTIONS**

The significant related party transactions of the Group are as follows:

| | Individual Quarter | | Cumulative Quarter | |
|---|---|---|---|---|
| | Unaudited Current Quarter | Unaudited Preceding Year Corresponding Quarter | Unaudited Current Period-to-date | Unaudited Preceding Year Corresponding Period-to-date |
| | 30.06.2026 | 30.06.2025 | 30.06.2026 | 30.06.2025 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| **Transaction with ultimate holding company** | | | | |
| Lease expenses paid/payable | 12 | - | 25 | - |
| Progress billing received/receivable | 208 | - | 6,259 | - |

**PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING (CONTINUED)**

**A15. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)**

| | Individual Quarter | | Cumulative Quarter | |
|---|---|---|---|---|
| | Unaudited Current Quarter | Unaudited Preceding Year Corresponding Quarter | Unaudited Current Period-to-date | Unaudited Preceding Year Corresponding Period-to-date |
| | 30.06.2026 | 30.06.2025 | 30.06.2026 | 30.06.2025 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| **Transaction with related companies** | | | | |
| Lease expenses paid/payable | 93 | - | 159 | 6 |
| Progress billing paid/payable | 515 | 2,216 | 5,561 | 6,330 |
| Progress billing received/receivable | 1,380 | 42 | 1,390 | 3,381 |
| Subscription of information technology system | - | - | - | 32 |
| **Transaction with related parties** | | | | |
| Progress billing paid/payable | 3 | 10 | 3 | 18 |
| Progress billing received/receivable | - | 7,157 | 320 | 62,889 |

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**PART B – EXPLANATORY NOTES PERSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**Notes To the Unaudited Condensed Consolidated Interim Financial Report for the Second (2nd) Quarter Ended 30 June 2026**

## B1. REVIEW OF PERFORMANCE

| | Individual Quarter | | Cumulative Quarter | |
|---|---|---|---|---|
| | Unaudited Current Quarter | Unaudited Preceding Year Corresponding Quarter | Unaudited Current Period-to-date | Unaudited Preceding Year Corresponding Period-to-date |
| | 30.06.2026 | 30.06.2025 | 30.06.2026 | 30.06.2025 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 58,918 | 118,126 | 147,762 | 265,327 |
| Gross profit ("**GP**") | 14,532 | 21,356 | 35,025 | 50,442 |
| Profit before tax ("**PBT**") | 5,451 | 10,186 | 16,655 | 31,152 |
| Profit after tax ("**PAT**") | 3,627 | 6,759 | 12,142 | 22,510 |
| GP Margin % | 24.7% | 18.1% | 23.7% | 19.0% |
| PBT Margin % | 9.3% | 8.6% | 11.3% | 11.7% |
| PAT Margin % | 6.2% | 5.7% | 8.2% | 8.5% |

**Comparison of current quarter with preceding year's corresponding quarter (Q2 FYE2026 vs Q2 FYE2025)**

The Group recorded revenue of RM58.9 million for the current quarter under review, representing a decrease of RM59.2 million or 50.1% from RM118.1 million recorded in the corresponding quarter of the preceding year. The decline was primarily attributable to lower revenue contributions from relatively smaller-scale projects undertaken during the current quarter under review. The Group's revenue was entirely generated from the provision of interior fitting-out services segment.

For the current quarter under review, revenue was primarily contributed by interior fitting-out works for a commercial campus property in Bukit Jalil and a commercial hotel property in Kuala Lumpur City Centre, which accounted for RM13.0 million (22.0%) and RM7.3 million (12.4%) of the revenue, respectively. In comparison, revenue for the corresponding quarter of the preceding year was mainly derived from interior fitting-out works for a commercial office property in Jalan Ampang and a commercial shopping mall property in Cyberjaya, which contributed RM25.9 million (21.9%) and RM23.9 million (20.3%) of the revenue, respectively. The variation in revenue contribution reflects differences in project timing, scale and completion stages across the periods.

The Group recorded GP of RM14.5 million with GP margin of 24.7%, PBT of RM5.5 million with PBT margin of 9.3% and PAT of RM3.6 million with PAT margin of 6.2% for the current quarter under review. The Group's GP margin has improved by 6.6% from 18.1% to 24.7% mainly attributable to improved cost efficiency and effective project cost management despite lower revenue and GP during the current quarter under review. Accordingly, the Group's PBT and PAT margins slightly improved by 0.7% and 0.5% from 8.6% and 5.7%, respectively.

**PART B – EXPLANATORY NOTES PERSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

**B1. REVIEW OF PERFORMANCE (CONTINUED)**

**Comparison of current period-to-date with preceding year's corresponding period-to-date (YTD Q2 FYE2026 vs YTD Q2 FYE2025)**

The Group recorded revenue of RM147.8 million for the cumulative quarter under review, representing a decrease of RM117.6 million or 44.3% from RM265.3 million recorded in the corresponding period-to-date of the preceding year. The decrease was primarily attributable to the longer lead time required in securing new projects, coupled with the relatively smaller-scale projects undertaken during the cumulative quarter under review. The Group's revenue was entirely generated from the provision of interior fitting-out services segment.

For the cumulative quarter under review, revenue was mainly driven by interior fitting-out works for a commercial campus property in Bukit Jalil and a commercial office property in Presint Merdeka 118, which contributed RM21.4 million (14.5%) and RM12.2 million (8.3%) of revenue, respectively. In comparison, revenue for the corresponding period-to-date of the preceding year was largely derived from interior fitting-out works for a commercial office property in Bandar Baru Sri Petaling and a commercial shopping mall in Cyberjaya, which contributed RM57.3 million (21.6%) and RM36.2 million (13.6%) of revenue, respectively. The variation in revenue contribution reflects differences in project timing, scale and completion stages across the periods.

The Group recorded GP of RM35.0 million with GP margin of 23.7%, PBT of RM16.7 million with PBT margin of 11.3% and PAT of RM12.1 million with PAT margin of 8.2% for the cumulative quarter under review. The Group's GP margin has improved by 4.7% from 19.0% to 23.7% mainly attributable to improved cost efficiency and effective project cost management despite lower revenue and GP during the current period-to-date. However, the Group's PBT and PAT margins slightly declined by 0.4% and 0.3% from 11.7% and 8.5% respectively, primarily due to the higher staff-related expenses in line with increased headcount to support business expansion.

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**PART B – EXPLANATORY NOTES PERSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

## B2. PERFORMANCE COMPARISON WITH PRECEDING QUARTER'S RESULTS

| | Individual Quarter | | | |
|---|---|---|---|---|
| | Unaudited Current Quarter Ended | Unaudited Preceding Quarter Ended | | |
| | 30.06.2026 | 31.03.2026 | Changes | |
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 58,918 | 88,844 | (29,926) | (33.7) |
| GP | 14,532 | 20,493 | (5,961) | (29.1) |
| PBT | 5,451 | 11,204 | (5,753) | (51.3) |
| PAT | 3,627 | 8,515 | (4,888) | (57.4) |

The Group's recorded revenue of RM58.9 million for the current quarter which is 33.7% lower than the revenue of RM88.8 million recorded in the preceding quarter. Revenue for the current quarter was primarily driven by the ongoing fitting-out works for a commercial campus property in Bukit Jalil and a commercial hotel property in Kuala Lumpur City Centre, contributing RM13.0 million and RM7.3 million of the revenue, respectively. The decrease in revenue was mainly attributable to the completion of interior fitting-out works for (i) a commercial office property in Presint Merdeka 118 which contributed revenue of RM12.2 million, (ii) a commercial office property in Damansara, Kuala Lumpur which contributed revenue of RM7.3 million, (iii) 2 commercial 2½-storey show units in Port Dickson which contributed revenue of RM5.1 million, (iv) a commercial office property in Jalan Melaka, Kuala Lumpur which contributed revenue of RM3.2 million, and (v) a commercial shopping mall property in Klang which contributed revenue of RM3.1 million in the preceding quarter.

GP decreased by RM6.0 million or 29.1% to RM14.5 million mainly due to decrease in revenue during the current quarter under review. Correspondingly, the Group's PBT has decreased by RM5.8 million or 51.3% to RM5.5 million for the current quarter. Consequently, the Group's PAT also decreased by RM4.9 million or 57.4% to RM3.6 million for the current quarter.

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**PART B – EXPLANATORY NOTES PERSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

**B3. PROSPECTS AND OUTLOOK FOR THE CURRENT FINANCIAL YEAR**

The Group remains focused on strengthening operational efficiency and exercising prudent cost management to support competitive and timely project delivery. During the current quarter, the Group continued to improve project execution capabilities, strengthen client relationships and uphold consistent service standards. These initiatives are expected to enhance the Group's responsiveness to new opportunities while enabling it to navigate evolving market conditions.

As of 30 June 2026, the Group is managing 93 ongoing projects with an unbilled contract value (order book) of approximately RM228.6 million. These projects are expected to be recognised as revenue over the next one to two financial years, supporting earnings visibility and operational continuity.

Looking ahead, the Group remains committed to expanding its presence in Malaysia's interior fitting-out industry by actively pursuing new project opportunities, particularly those with higher contract values. However, ongoing geopolitical tensions, global trade uncertainties and the broader macroeconomic environment have resulted in more cautious investment and capital expenditure decisions by certain clients, leading to longer project award and procurement cycles. Despite these challenges, the Group believes that its established track record, healthy order book and strong client relationships position it well to capture future opportunities and support sustainable long-term growth.

**B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT**

The Group did not issue any profit forecast or profit estimation in any announcement or public document.

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**PART B – EXPLANATORY NOTES PERSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

**B5. TAX EXPENSES**

| | Individual Quarter | | Cumulative Quarter | |
|---|---|---|---|---|
| | Unaudited Current Quarter | Unaudited Preceding Year Corresponding Quarter | Unaudited Current Period-to-date | Unaudited Preceding Year Corresponding Period-to-date |
| | 30.06.2026 | 30.06.2025 | 30.06.2026 | 30.06.2025 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| **In respect of current period:** | | | | |
| Income tax expense [1] | 2,292 | 3,326 | 5,047 | 8,322 |
| Deferred tax expense/(income) | (468) | 101 | (534) | 320 |
| | 1,824 | 3,427 | 4,513 | 8,642 |
| Effective tax rate (%) | [3] 33.5 | [2] 33.6 | [3] 27.1 | [2] 27.7 |
| Statutory tax rate (%) | 24.0 | 24.0 | 24.0 | 24.0 |

**NOTES:**

(1) Income tax expense is recognised based on management's best estimate.

(2) The Group's effective tax rate for preceding quarter and period-to-date was higher than the statutory tax rate mainly due to higher non-deductible expenses arising from professional fee relating to the Group's Listing.

(3) The Group's effective tax rate for current quarter and period-to-date was higher than the statutory tax rate mainly due to unutilised tax losses for which no deferred tax asset was recognised.

**B6. STATUS OF CORPORATE PROPOSALS**

There were no other corporate proposals announced but not implemented as at the date of this interim financial report.

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**PART B – EXPLANATORY NOTES PERSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

**B7. UTILISATION PROCEEDS FROM IPO**

Pursuant to the Listing on 5 June 2025, SAG issued 260,000,000 Issue Shares at an issue price of RM0.62 per Issue Share, raising gross proceeds of approximately RM161,200,000.

The status of the utilisation of proceeds from IPO as at 30 June 2026 is set out below:

| Details of the Use of Proceeds | Proposed Utilisation RM'000 | % | Actual Utilisation RM'000 | Balance Unutilised RM'000 | (1)Estimated timeframe for utilisation |
|---|---|---|---|---|---|
| Set up of corporate office and production facility in Selangor | 88,000 | 54.6 | - | 88,000 | Within 36 months |
| Purchase of machinery and equipment | 4,000 | 2.5 | 343 | 3,657 | Within 36 months |
| Expansion/establishment of branch offices in Pulau Pinang and Johor | 12,000 | 7.4 | - | 12,000 | Within 36 months |
| Working Capital | 30,140 | 18.7 | 30,140 | - | Within 12 months |
| Repayment of bank borrowings | 20,000 | 12.4 | 20,000 | - | Within 6 months |
| Estimated listing expenses | 7,060 | 4.4 | 7,060 | - | Within 1 month |
| **Total** | **161,200** | **100** | **57,543** | **103,657** | |

**Note:**

(1) From the date of the Listing.

The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company dated 14 May 2025.

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**PART B – EXPLANATORY NOTES PERSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

**B8. BANK BORROWINGS**

| | Unaudited As at 30.06.2026 RM'000 | Audited As at 31.12.2025 RM'000 |
|---|---|---|
| **Current** | | |
| Term loans | 234 | 190 |
| Bankers' acceptance | 38,522 | 38,920 |
| | **38,756** | **39,110** |
| **Non-current** | | |
| Term loans | 3,603 | 3,519 |
| | **3,603** | **3,519** |

The bank borrowings are secured and denominated in Ringgit Malaysia.

**B9. MATERIAL LITIGATION**

There were no material litigation involving the Group in the current financial quarter ended 30 June 2026.

**B10. DIVIDEND**

On 2 July 2026, SAG declared an interim dividend of RM0.01 per ordinary share amounting to RM10,000,000 in respect of the financial year ending 31 December 2026 which is to be paid on 30 July 2026 to shareholders of the Company whose names appear in the Record of Depositors on 17 July 2026.

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**PART B – EXPLANATORY NOTES PERSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

**B11. EARNINGS PER SHARE**

The basic and diluted EPS for the current financial quarter and financial period-to-date are computed as follows:

| | **Individual Quarter** | | **Cumulative Quarter** | |
|---|---|---|---|---|
| | **Unaudited Current Quarter 30.06.2026 RM'000** | **(1) Unaudited Preceding Year Corresponding Quarter 30.06.2025 RM'000** | **Unaudited Current Period-to-date 30.06.2026 RM'000** | **Unaudited Preceding Year Corresponding Period-to-date 30.06.2025 RM'000** |
| Profit attributable to the Owners of the Company | 3,627 | 6,759 | 12,142 | 22,510 |
| Number of ordinary shares (in thousand) | 1,000,000 | 814,286 | 1,000,000 | 777,348 |
| Basic EPS (sen) | (1) 0.36 | (3) 0.83 | (1) 1.21 | (3) 2.90 |
| Diluted EPS (sen) (2) | 0.36 | 0.83 | 1.21 | 2.90 |

**NOTES:**

(1) Basic EPS is calculated based on the Company's weighted average number of ordinary shares in issue of 1,000,000,000 for both current quarter and cumulative quarter ended 30 June 2026 respectively.

(2) Diluted EPS is equivalent to the basic EPS as the Company does not have any convertible options as at the end of the current financial quarter and period-to-date.

(3) Basic EPS is calculated based on the Company's weighted average number of ordinary shares in issue of 814,286,000 and 777,348,000 for current quarter and cumulative quarter ended 30 June 2025 respectively.

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**PART B – EXPLANATORY NOTES PERSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

**B12. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Profit before tax is arrived after charging/(crediting):

| | Individual Quarter | | Cumulative Quarter | |
|---|---|---|---|---|
| | Unaudited Current Quarter 30.06.2026 RM'000 | Unaudited Preceding Year Corresponding Quarter 30.06.2025 RM'000 | Unaudited Current Period-to-date 30.06.2026 RM'000 | Unaudited Preceding Year Corresponding Period-to-date 30.06.2025 RM'000 |
| Depreciation of property, plant and equipment | 320 | 216 | 639 | 419 |
| Depreciation of right-of-use assets | 270 | 157 | 540 | 287 |
| Gain on disposal of: | | | | |
| - property, plant and equipment | - | (69) | (2) | (69) |
| - other investments | (1,056) | - | (1,056) | - |
| Property, plant and equipment written off | - | - | 12 | - |
| Interest income | (366) | (406) | (846) | (459) |
| Finance costs | 645 | 669 | 1,236 | 1,330 |
| Income from other investments | (231) | - | (297) | - |
| Rental income | (69) | (65) | (137) | (130) |

**B13. Authorisation for Issue**

The interim financial report was authorised for issue by the Board of Directors of the Company in accordance with a resolution passed by the Board of Directors on 24 August 2026.

**BY ORDER OF THE BOARD**
**SIGNATURE ALLIANCE GROUP BERHAD**