THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") takes no responsibility for the contents of this Circular, valuation certificate and valuation report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

You should rely on your own evaluation to assess the merits and risks of the Proposals (as defined herein).

This circular has been reviewed by Malacca Securities Sdn. Bhd., being the Principal Adviser to the Company for the Proposals (as defined herein).

ARTRONIQ

ARTRONIQ BERHAD
Registration No. 200201023414 (591077-X)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

(I) PROPOSED ACQUISITION OF 102,000 ORDINARY SHARES IN AXE INNOVATION SDN BHD ("AISB"), REPRESENTING 51.0% EQUITY INTEREST IN AISB, FOR A TOTAL CONSIDERATION OF RM5.1 MILLION WHICH SHALL BE SATISFIED VIA ISSUANCE OF 51,000,000 NEW ORDINARY SHARES IN ARTRONIQ BERHAD ("ARTRONIQ") ("ARTRONIQ SHARES" OR "SHARES") ("CONSIDERATION SHARES"), REPRESENTING 10.2% OF ARTRONIQ'S ENLARGED ISSUED SHARES, AT AN ISSUE PRICE OF RM0.10 PER CONSIDERATION SHARE ("PROPOSED ACQUISITION"); AND

(II) PROPOSED DIVERSIFICATION OF THE PRINCIPAL ACTIVITIES OF ARTRONIQ AND ITS SUBSIDIARIES ("ARTRONIQ GROUP" OR THE "GROUP") TO INCLUDE PROVISION OF INFORMATION COMMUNICATION AND TECHNOLOGY ("ICT") SOLUTIONS ("PROPOSED DIVERSIFICATION")

(COLLECTIVELY, REFERRED TO AS THE "PROPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

M+Global

MALACCA SECURITIES SDN. BHD.
Registration No: 197301002760 (16121-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") of Artroniq will be held at SVOFO@Hall 1, Nexis Offices 3rd Floor, Block C, Sunway Nexis, No.1 Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor, Malaysia on Thursday, 23 April 2026 at 11.00 a.m., or at any adjournment thereof. The Notice of EGM together with the Form of Proxy are enclosed herewith in this Circular.

A shareholder who is entitled but unable to attend, participate, speak and vote remotely at the EGM is entitled to appoint up to 2 proxies to attend, participate, speak and vote remotely on his/her behalf. The Form of Proxy should be completed and deposited at the Share Registrar's office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur, not less than 48 hours before the time of holding the EGM. The lodging of the Form of Proxy will not preclude the shareholders from attending, participating and voting in person at the EGM should he/she subsequently wish to do so.

Last date and time for lodging the Form of Proxy	: Tuesday, 21 April 2026 at 11.00 a.m.
Date and time of the EGM	: Thursday, 23 April 2026 at 11.00 a.m. or at any adjournment thereof

This Circular is dated 8 April 2026

For the purpose of this Circular, except where the context otherwise requires, the following definitions shall apply throughout this Circular.

Act	:	Companies Act, 2016 of Malaysia, as amended from time to time including any re-enactment thereof
AHSB	:	Axe Holdings Sdn Bhd
AI	:	Artificial intelligence
AISB	:	Axe Innovation Sdn Bhd
AISB Share(s)	:	Ordinary shares in AISB
Announcement	:	Announcement dated 22 January 2026 in relation to the Proposals
Artroniq or the Company	:	Artroniq Berhad
Artroniq Group or the Group	:	Artroniq and its subsidiaries
Artroniq Share(s) or the Share(s)	:	Ordinary share(s) of Artroniq
Board	:	Board of Directors of Artroniq
Bursa Securities	:	Bursa Malaysia Securities Berhad
Circular	:	This circular dated 8 April 2026 in relation to the Proposals
Completion Date	:	A day falling on or before the expiry of 1 month from the date of the fulfilment of the last conditions precedent of the SSA.
Consideration Shares	:	51,000,000 new ordinary shares in Artroniq to be issued to the Vendors at the Issue Price, as Purchase Consideration for the acquisition of the Sale Share
Director	:	A natural person who holds a directorship in a company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007, and includes any person who is or was within the preceding 6 months of the date on which the terms of the SSA was agreed upon, a director or chief executive of Artroniq, its subsidiaries or holding company
EGM	:	Extraordinary general meeting
Electric Motorbikes Business	:	Electric motorbikes assembly and manufacturing business
Encik Faris	:	Mohamed Faris Bin Che Lodin
EPS	:	Earnings per share
ESOS	:	Employee’s share option scheme of the Company
First Profit Guarantee Period	:	The 12-month period commencing from 1 April 2026 to 31 March 2027, being the period for AISB to achieve the Guarantee PAT of RM1.0 million

FPE	:	Financial period ended/ending, as the case may be
FYE	:	Financial year ended/ending, as the case may be
Guaranteed PAT	:	The minimum PAT that AISB shall attain and achieve for the First Profit Guarantee Period, Second Profit Guarantee Period and Third Profit Guarantee Period, respectively
ICT	:	Information communication and technology
Issue Price	:	RM0.10, being the issue price for each Consideration Share
KJCS or Valuer	:	Khong & Jaafar (Corporate Services) Sdn Bhd, being the independent valuer for the Proposed Acquisition
LAT	:	Loss after tax
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
LPD	:	3 April 2026, being the latest practicable date prior to the printing of this Circular
LTD	:	21 January 2026, being the last trading day prior to the Announcement
Malacca Securities or the **Principal Adviser**	:	Malacca Securities Sdn. Bhd.
Maximum Scenario	:	The scenario that assuming all of the 182,976,800 outstanding Warrants and 35,000,000 ESOS options as at LPD are exercised into new Shares prior to the completion of the Proposed Acquisition
Minimum Scenario	:	The scenario that assuming none of the 182,976,800 outstanding Warrants and 35,000,000 ESOS options as at LPD are exercised into new Shares prior to the completion of the Proposed Acquisition
Mr Lor	:	Lor Jun Ren
NA	:	Net assets
P/E	:	Price-to-earnings
PAT	:	Profit after tax
POS	:	Point-of-sales
Profit Guarantee Period	:	Collectively, First Guarantee Period, Second Guarantee Period and Third Guarantee Period, being the periods for AISB to achieve the Profit Guarantees
Profit Guarantees	:	Collectively, the Guaranteed PAT for the Profit Guarantee Period as disclosed in Section 2.3 of this Circular
Proposals	:	Collectively, the Proposed Acquisition and Proposed Diversification
Proposed Acquisition	:	Proposed acquisition of 102,000 ordinary shares in AISB, representing 51.0% equity interest in AISB from the Vendors, for the Purchase Consideration, subject to the terms of the SSA
Proposed Diversification	:	Proposed diversification of the existing business of Artroniq Group to include the provision of ICT solutions

Purchase Consideration	:	Total consideration of RM5.1 million which shall be satisfied via issuance of 51,000,000 Consideration Shares at the Issue Price, subject to the terms of the SSA
Purchaser	:	Artroniq, being the purchaser in relation to the Sale Shares
PVCSB	:	Paklin Venture Capital Sdn Bhd
Retention Shares	:	45,000,000 Consideration Shares (equivalent to RM4.5 million) to be deposited with the Stakeholder, as part of the security for the performance of the Profit Guarantees, as per the terms of the SSA
RM and **sen**	:	Ringgit Malaysia and sen respectively, being the lawful currency of Malaysia
Sale Shares	:	102,000 AISB Shares, representing 51.0% equity interest in AISB, to be acquired by Artroniq from the Vendors pursuant to the SSA, for the Purchase Consideration
Second Profit Guarantee Period	:	The 12-month period commencing from 1 April 2027 to 31 March 2028, being the period for AISB to achieve the Guaranteed PAT of RM1.5 million
Shareholders' Agreement	:	The shareholders' agreement dated 22 January 2026 entered into between Artroniq and AHSB to govern their relationship and obligation as shareholders of AISB upon completion of the Proposed Acquisition
SSA	:	The conditional share sale agreement dated 22 January 2026 entered into between Artroniq and the Vendors in relation to the Proposed Acquisition
Stakeholder	:	The stakeholder to be mutually appointed by both the Purchaser and Vendors for the purpose of safeguarding and dealing of the Retention Shares
Third Profit Guarantee Period	:	The 12-month period commencing from 1 April 2028 to 31 March 2029, being the period for AISB to achieve the Guarantee PAT of RM2.0 million
Vendors	:	Collectively, AHSB and Encik Faris, being the vendors in relation to the Sale Shares
VWAP	:	Volume weighted average market price
Warrants	:	182,976,800 outstanding warrants 2023/2026 of the Company as at LPD. The Warrants are constituted by a deed poll dated 3 July 2023 and each Warrant carries the entitlement to subscribe for new ordinary shares in the Company at the exercise price of RM0.60 each

In this Circular, any reference to "we", "us", "our" and "ourselves" are to the Company, and where the context otherwise requires, our subsidiaries. All references to "you" are to the shareholders of the Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any statutes, rules, regulations or rules of the stock exchange is a reference to such statutes, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time or date in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Any discrepancy in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

PAGE

LETTER FROM THE BOARD TO THE SHAREHOLDERS OF ARTRONIQ IN RELATION TO THE PROPOSALS:

This Executive Summary highlights only the salient information of the Proposals. The Company's shareholders are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in arriving at a decision on the Proposals before voting at the Company's forthcoming EGM.

Key information	Description
Details of the Proposals Section 2 and 3 of the Circular	**<u>Proposed Acquisition</u>** The Proposed Acquisition entails the acquisition by Artroniq from the Vendors of 102,000 Sale Shares, representing 51.0% equity interest in AISB, for the Purchase Consideration of RM51.0 million, to be satisfied via the issuance of 51,000,000 Consideration Shares at the Issue Price of RM0.10 per Consideration Share, subject to the terms of the SSA; and Upon completion of the Proposed Acquisition, AISB will become a 51.0%-owned subsidiary of Artroniq. **<u>Proposed Diversification</u>** The Proposed Acquisition will provide an alternative income stream to the Group and the Proposed Diversification is required to facilitate the Group's diversification pursuant to the Proposed Acquisition. As the Board expects the new business to contribute 25% or more of the net profits and/or result in diversion of 25% or more of the net assets of Artroniq Group going forward, Artroniq is seeking the approval from the shareholders of Artroniq for the Proposed Diversification at the Company's forthcoming EGM pursuant to the Listing Requirements. Notwithstanding the Proposed Diversification, the Group intends to continue with its existing business activities save for the discontinued operations.
Basis and justification in arriving at the Purchase Consideration Section 2.4 of the Circular	The Purchase Consideration of RM5.1 million was arrived at on a "willing-buyer willing-seller" basis, after taking into consideration, amongst others, the following:- (i) a valuation report dated 22 January 2026 by KJCS, whereby KJCS had arrived at a market value of 100.0% equity interest of AISB ranging from RM9.9 million to RM10.6 million (ii) the Profit Guarantee as detailed in Section 2.3 of this Circular; (iii) on an as is basis, premised on the unaudited NA of AISB as at 31 October 2025 and assuming the Profit Guarantees of RM4.5 million for the entire Profit Guarantee Period is achieved, the proforma NA of AISB at the end of the Profit Guarantee Period is approximately RM5.7 million (based on unaudited NA as at 31 October 2025 of RM1.2 million plus the Profit Guarantees of RM4.5 million); (iv) the rationale and potential benefits to be accrued to the Group through the Proposed Acquisition; and (v) the future prospects of the enlarged Group as detailed in Section 6.3 of this Circular.

Key information	**Description**
Basis and justification in arriving at the Issue Price Section 2.5 of the Circular	The Issue Price of RM0.10 per Consideration Share was arrived at on a "willing-buyer willing-seller" basis, which represents a discount of 19.7% to the 5-day VWAP of Artroniq Shares up to and including LTD of RM0.1245.
Risk factors Section 7 of the Circular	The Proposed Acquisition and Proposed Diversification are not expected to materially change the risk profile of the business of the Artroniq Group as AISB is in similar business as the Artroniq Group, which is in the ICT industry. The Proposed Acquisition will result in the Artroniq Group being subject to certain transaction risks, including amongst others, risk that the Proposed Acquisition cannot be completed in time, acquisition risk that the anticipated benefits will not be fully realised, risk that the Profit Guarantees will not be achieved, dependency on key management personnel of AISB and impairment risk on goodwill.
Effects of the Proposed Acquisition Section 8 of the Circular	The effects of the Proposed Acquisition are as follows:- (i) Issued share capital The issued share capital of Artroniq will increase by RM5.1 million as a result of the issuance of 51,000,000 Consideration Shares at the Issue Price of RM0.10 each upon completion of the Proposed Acquisition. (ii) NA, NA per Share and gearing The Proposed Acquisition is expected to increase the Group's NA by RM4.8 million as a result of the issuance of 51,000,000 Consideration Shares at the Issue Price of RM0.10 each and after deducting the estimated expenses in relation to the Proposals. (iii) Earnings and EPS The actual impact of the Proposed Acquisition on the consolidated earnings and EPS of Artroniq moving forward will depend on, amongst others, the market conditions and the successful integration of the operations of AISB into the Group. Nevertheless, the Proposed Acquisition is expected to be earnings accretive and contribute positively to the future earnings of the Group upon completion (iv) Substantial shareholders' shareholdings Upon completion of the Proposed Acquisition, Encik Faris shall emerge as a substantial shareholder of the Company.
Approvals required and conditionality Section 10 of the Circular	The Proposed Acquisition is subject to the following approvals being obtained: (i) the approval of Bursa Securities for the listing and quotation of 51,000,000 Consideration Shares to be issued pursuant to the Proposed Acquisition, on the ACE Market of Bursa Securities; (ii) the approval of the shareholders of the Company for the Proposals at the Company's forthcoming EGM; and (iii) the approval of any other relevant authorities and/or parties, if any.

Key information	Description
	The Proposed Acquisition and the Proposed Diversification are inter-conditional upon each other. Save for the aforementioned, the Proposals are not conditional upon any other corporate exercises/schemes or proposals undertaken or to be undertaken by Artroniq.
Interests of Directors, major shareholders, chief executive and/or persons connected Section 11 of the Circular	None of the Directors, chief executive, major shareholders of the Company and/or any persons connected with them have any direct or indirect interest in relation to the Proposals.
Directors' statement and recommendation Section 13 of the Circular	The Board, after having considered all aspects of the Proposals, including but not limited to the terms and conditions of the SSA, rationale, financial effects, basis and justification in arriving at the Purchase Consideration, and risk factors of the Proposals, is of the opinion that the Proposals are in the best interest of the Company. Accordingly, the Board recommends that the shareholders of Artroniq vote in favour of the resolutions pertaining to the Proposals to be tabled at the Company's forthcoming EGM.

ARTRONIQ

ARTRONIQ BERHAD
Registration No. 200201023414 (591077-X)
(Incorporated in Malaysia)

Registered Office:
Unit 11.07, Amcorp Tower
Amcorp Trade Centre,
18, Jalan Persiaran Barat,
46050 Petaling Jaya,
Selangor, Malaysia

8 April 2026

Board of Directors:

Lee Kai Sheng *(Executive Director)*
Ho Yu Hang *(Independent and Non-Executive Director)*
Chin Fang Yi *(Independent and Non-Executive Director)*
Ling Chee Min *(Independent and Non-Executive Director)*
Yen Soon Jin *(Independent and Non-Executive Director)*

To: The Shareholders of Artroniq

Dear Sir/Madam,

(i) PROPOSED ACQUISITION; AND
(ii) PROPOSED DIVERSIFICATION

1. INTRODUCTION

On 22 January 2026, Malacca Securities had on behalf of the Board, announced the following:-

(i) Artroniq (as the Purchaser) had on even date entered into the SSA with the Vendors for the proposed acquisition of 102,000 Sale Shares, representing 51.0% equity interest of AISB, for the Purchase Consideration of RM5.1 million which shall be satisfied via the issuance of 51,000,000 Consideration Shares at an Issue Price of RM0.10 per Consideration Share, subject to the terms of the SSA; and

(ii) proposed diversification of the Group's principal activities to include the provision of ICT solutions.

On 3 April 2026, Malacca Securities had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 2 April 2026, resolved to approve the listing and quotation of 51,000,000 Consideration Shares on the ACE Market of Bursa Securities subject to the conditions set out in Section 10 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS OF THE COMPANY WITH THE RELEVANT INFORMATION ON THE PROPOSALS AND TO SEEK SHAREHOLDERS' APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM. THE NOTICE OF THE EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM.

2. PROPOSED ACQUISITION

The Proposed Acquisition entails the acquisition by Artroniq from the Vendors of 102,000 Sale Shares, representing 51.0% equity interest in AISB, for the Purchase Consideration of RM5.1 million:-

Vendors	Sale Shares		[a]Purchase Consideration	[b]Number of Consideration Shares
	No. of AISB Shares	[c]%	RM	
AHSB	22,000	11.0	1,100,000	11,000,000
Encik Faris	80,000	40.0	4,000,000	40,000,000
	102,000	**51.0**	**5,100,000**	**51,000,000**

Notes:-

(a) The Purchase Consideration shall be fully satisfied via the issuance of the Consideration Shares to the Vendors in accordance with the following payment milestones:-

Vendors	[i]First tranche Consideration Shares		[ii]First tranche Retention Shares		[iii]Second tranche Retention Shares		[iv]Final tranche Retention Shares	
	No. of Shares	[v]%	No. of Shares	[v]%	No. of Shares	[v]%	No. of Shares	[v]%
AHSB	1,294,118	2.5	2,156,863	4.2	3,235,294	6.3	4,313,725	8.5
Encik Faris	4,705,882	9.2	7,843,137	15.4	11,764,706	23.1	15,686,275	30.8
	6,000,000	**11.7**	**10,000,000**	**19.6**	**15,000,000**	**29.4**	**20,000,000**	**39.3**

Notes:-

(i) First tranche of 6,000,000 Consideration Shares shall be released to the Vendors on the Completion Date. The remaining 45,000,000 Consideration Shares shall be deposited with the Stakeholder as Retention Shares.

In accordance with the SSA, the Vendors shall have the right to nominate nominee(s) to receive its/his proportion of the Consideration Shares to be allotted and issued pursuant to above for and on its/his behalf. In any such event, the Vendors shall provide Artroniq written notification together with the relevant details of its/his nominee(s) 3 business days prior to the Completion Date. Upon receiving such notification from the Vendors, Artroniq shall allot and issue the Vendors' proportion of the Consideration Shares to the nominee(s) as stated in the said notification and such allotment and issuance by Artroniq to the nominee(s) of the Vendors pursuant to the terms and conditions hereunder would be deemed full discharge of the payment obligation by Artroniq.

(ii) The first tranche Retention Shares shall be released to the Vendors in the proportion based on the Profit Guarantees mechanism as detailed in Section 2.3 of this Circular subsequent to the First Profit Guarantee Period (as defined in Section 2.3 of this Circular).

(iii) The second tranche Retention Shares shall be released to the Vendors in the proportion based on the Profit Guarantees mechanism as detailed in Section 2.3 of this Circular subsequent to the Second Profit Guarantee Period (as defined in Section 2.3 of this Circular).

(iv) The final tranche Retention Shares shall be released to the Vendors in the proportion based on the Profit Guarantees mechanism as detailed in Section 2.3 of this Circular subsequent to the Third Profit Guarantee Period (as defined in Section 2.3 of this Circular).

(v) Based on total 51,000,000 Consideration Shares.

For information, the shareholdings of AHSB and Encik Faris in Artroniq as at LPD and after the Proposed Acquisition are as follows:-

<u>Minimum Scenario</u>

	As at LPD				After the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	[aa]%	No. of Shares	[aa]%	No. of Shares	[bb]%	No. of Shares	[bb]%
AHSB	-	-	-	-	11,000,000	2.2	-	-
Encik Faris	-	-	-	-	40,000,000	8.0	[cc]11,000,000	2.2

Maximum Scenario

	As at LPD				After the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(aa)%	No. of Shares	(aa)%	No. of Shares	(dd)%	No. of Shares	(dd)%
AHSB	-	-	-	-	11,000,000	1.5	-	-
Encik Faris	-	-	-	-	40,000,000	5.6	(cc)11,000,000	1.5

Notes:-

(aa) Based on 448,753,504 issued Shares as at LPD.

(bb) Based on enlarged 499,753,504 issued Shares after the issuance and allotment of 51,000,000 Consideration Shares pursuant to the Proposed Acquisition (assuming none of the 182,976,800 outstanding Warrants and 35,000,000 outstanding ESOS options as at LPD are exercised into new Shares prior to the completion of the Proposed Acquisition).

(cc) Deemed interest via his shareholdings in AHSB.

(dd) Based on enlarged 717,730,304 issued Shares assuming the following:

- full exercise of 182,976,800 outstanding Warrants at the exercise price of RM0.60 per Warrant;
- full exercise of 35,000,000 outstanding ESOS options at the exercise price of RM0.0740 per ESOS option; and
- issuance and allotment of 51,000,000 Consideration Shares pursuant to the Proposed Acquisition.

(b) The Issue Price of the Consideration Shares had been fixed at RM0.10 each.

(c) Based on 200,000 AISB shares as at LPD.

The Sale Shares to be acquired shall be free from all claims, charges, liens, encumbrances and equities whatsoever together with all rights attached thereto and all dividends, rights and distributions declared paid or made in respect thereof as from the Completion Date, upon the terms and subject to the conditions contained in the SSA.

The salient terms of the SSA are set out in Appendix I of this Circular.

The shareholdings in AISB upon completion of the Proposed Acquisition shall be as follows:-

	As at LPD				Upon completion of the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect	
	Number of AISB Shares	%	Number of AISB Shares	%	Number of AISB Shares	%	Number of AISB Shares	%
Artroniq	-	-	-	-	102,000	51.0	-	-
AHSB	120,000	60.0	-	-	98,000	49.0	-	-
Encik Faris	80,000	40.0	[(a)]120,000	60.0	-	-	[(a)]98,000	49.0
	200,000	**100.00**			**200,000**	**100.0**		

Note:

(a) Deemed interest via his shareholdings in AHSB.

Simultaneously with the SSA, Artroniq had on 22 January 2026 entered into the Shareholders' Agreement with AHSB to govern their relationship and obligation as shareholders of AISB upon completion of the Proposed Acquisition. The salient terms of the Shareholders' Agreement are set out in Appendix II of this Circular.

For information, AISB had on 1 July 2022 entered into an agreement with one of its employees whereby AISB granted 20 restricted stock units ("**RSU**") which entitles the said employee to convert the RSU into ordinary shares equivalent to 2% of the total issued shares of AISB as at 1 July 2022. The said RSU was vested with the employee on 30 June 2025. The said employee had left AISB in February 2026.

In view thereof, AHSB and Encik Faris had vide letters dated 13 March 2026 agreed to indemnify Artroniq against any damages, loss or expenses suffered resulting from or incidental to the conversion of the RSU. Further thereto, in the event Artroniq's shareholdings in AISB falls below 51.0% after the completion of the Proposed Acquisition as a consequence of the conversion of RSU, Encik Faris and AHSB shall undertake to transfer such number of AISB Shares held by AHSB to Artroniq, to ensure that Artroniq's shareholdings in AISB be maintained at 51.0% of the enlarged issued AISB Shares. For avoidance of doubt, the said transfer shall be at no extra cost to Artroniq.

2.1 Information on AISB

AISB was incorporated under the name of Sterling Technologies Sdn Bhd in Malaysia on 29 June 2022 as a private limited company under the Act and had on 19 December 2023 adopted its present name. The registered office of AISB is at Suite 13.03, 13th Floor, Menara Tan & Tan, 207, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan.

AISB commenced its business since June 2022 and is principally involved in software development, cloud computing, technology consultancy, AI and enterprise solutions. Its principal place of business is located at 7th Floor, Bangunan Sterling Group, No. 21, Jalan PJU 7/7, Mutiara Damansara, 47800 Petaling Jaya, Selangor.

As at LPD, AISB has an issued share capital of RM200,000 comprising 200,000 AISB Shares.

As at LPD, the directors and shareholders of AISB and their respective shareholdings in AISB are as follows:-

			Shareholdings as at LPD			
			Direct		Indirect	
Name	**Designation**	**Nationality / Country of incorporation**	**No. of AISB Shares**	**%**	**No. of AISB Shares**	**%**
Encik Faris	Director and shareholder	Malaysian	80,000	40.0	(a)120,000	60.0
Mr Lor	Director	Malaysian	-	-	-	-
Tan Sri Dato' Seri Che Lodin Bin Wok Kamaruddin	Director	Malaysian	-	-	-	-
AHSB	Shareholder	Malaysia	120,000	60.0	-	-
			200,000	**100.0**		

Note:-

(a) Deemed interest by virtue of his interest in AHSB pursuant to Section 8 of the Act.

Kindly refer to Appendix III of this Circular for further details in relation to AISB.

2.2 Information on the Vendors

(i) Encik Faris

Encik Faris, a Malaysian, aged 33, is a director and shareholder of AISB.

As at LPD, he holds 40.0% direct equity interest in AISB and 60.0% indirect interest in AISB via his interest in AHSB.

Further details on Encik Faris are set out in Section 3.1 of this Circular.

(ii) AHSB

AHSB was incorporated under the name of Sterling Capital Management Sdn Bhd in Malaysia on 8 December 2022 as a private limited company under the Act and had on 19 December 2023 adopted its present name. The registered address of AHSB is at Suite 13.03, 13th Floor, Menara Tan & Tan, 207, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan.

As at LPD, AHSB is principally involved in the activities of holding companies. Its principal place of business is located at 7th Floor, Bangunan Sterling Group, No. 21, Jalan PJU 7/7, Mutiara Damansara, 47800 Petaling Jaya, Selangor.

As at LPD, the issued share capital of AHSB is RM100,000 comprising 100,000 ordinary shares.

As at LPD, Encik Faris is the sole director and shareholder of AHSB.

As at LPD, AHSB holds 60.0% direct equity interest in AISB.

2.3 Profit Guarantees

In consideration of Artroniq acquiring the Sale Shares from the Vendors, and subject always to the completion of SSA, the Vendors guarantee to Artroniq that AISB shall attain and achieve the following Guaranteed PAT for the Profit Guarantee Period:-

Guaranteed Periods	Guaranteed PAT
	RM'000
1 April 2026 to 31 March 2027	1,000
1 April 2027 to 31 March 2028	1,500
1 April 2028 to 31 March 2029	2,000
	4,500

As security for the performance of the Profit Guarantees, Artroniq and the Vendors agree that 45,000,000 Consideration Shares (equivalent to RM4.5 million in value) shall be deposited with the Stakeholder as Retention Shares.

The salient features of the Profit Guarantees mechanism are as follows:-

(i) First Profit Guarantee Period

Upon the expiry of the First Profit Guarantee Period:

(a) Where AISB achieves part/all of the Guaranteed PAT for the First Profit Guarantee Period of RM1.0 million, Artroniq shall instruct the Stakeholder to release and transfer to the Vendors in the proportions as set out in Section 2 of this Circular, such number of Retention Shares with the value equivalent to the PAT achieved by AISB subject to the maximum value of the RM1.0 million.

(b) For the purpose of determining the number of Retention Shares to be released, each Retention Shares will be valued at RM0.10.

(c) No Retention Shares shall be released and transferred to the Vendors in the event AISB does not achieve a PAT for the First Profit Guarantee Period.

(ii) Second Profit Guarantee Period

Upon the expiry of the Second Profit Guarantee Period:

(a) Where AISB achieves part/all of the Guaranteed PAT for the Second Profit Guarantee Period of RM1.5 million, Artroniq shall instruct the Stakeholder to release and transfer to the Vendors in the proportions as set out in Section 2 of this Circular, such number of Retention Shares with the value equivalent to the PAT achieved by AISB subject to the maximum value of RM1.5 million.

(b) For the purpose of determining the number of Retention Shares to be released, each Retention Shares will be valued at RM0.10.

(c) No Retention Shares shall be released and transferred to the Vendors in the event AISB does not achieve a PAT for the Second Profit Guarantee Period.

(iii) Third Profit Guarantee Period

Upon the expiry of the Third Profit Guarantee Period:

(a) Where AISB achieves a cumulative PAT for the entire Profit Guarantee Period of RM4.5 million or more, Artroniq shall instruct the Stakeholder to release and transfer the Retention Shares to the Vendors in the proportions as set out in Section 2 of this Circular, the balance Retention Shares held by the Stakeholder at that point in time.

(b) Where AISB achieves a cumulative PAT for the entire Profit Guarantee Period of less than RM4.5 million, AISB shall instruct the Stakeholder to release and transfer to the Vendors in the proportions as set out in Section 2 of this Circular, such number of Retention Shares with the value equivalent to the cumulative PAT for the entire Profit Guarantee Period less such number of Retention Shares which had been released and transferred by the Stakeholder to the Vendors for the First Profit Guarantee Period and the Second Profit Guarantee Period, if any.

(c) Where AISB records a LAT for the entire Profit Guarantee Period, no further Retention Shares shall be released and transferred to the Vendors.

(d) For the purpose of determining the cumulative PAT for the entire Profit Guarantee Period, all LAT and/or PAT for the First Profit Guarantee Period and Second Profit Guarantee Period shall be carried forward and aggregated with the LAT or PAT of the Third Profit Guarantee Period.

(e) For the purpose of determining the number of Retention Shares to be released, each Retention Shares will be valued at RM0.10.

(f) Any Retention Shares held by the Stakeholder on behalf of the Vendors, after the release and transfer of the Retention Shares to the Vendors pursuant to the Third Profit Guarantee Period (if any) shall be forfeited by Artroniq as payment for the shortfall of the Profit Guarantees. Thereafter, all such forfeited Retention Shares shall be disposed by the Stakeholder (under the instruction of Artroniq) and such proceeds shall be returned to Artroniq.

(g) For avoidance of doubt, Artroniq shall have no claim against all Retention Shares released and transferred to the Vendors pursuant to the First Profit Guarantee Period and Second Profit Guarantee Period, notwithstanding that the cumulative PAT for the entire Profit Guarantee Period may be lower than the value of Retention Shares released.

    This has been agreed by Artroniq and the Vendors on the basis that the Profit Guarantees mechanism is akin to an “earn-out” basis, as the Vendors will need to ensure that AISB delivers the PAT for the Vendors to receive the consideration.

The Vendors and Artroniq agree that a special audit shall be performed on AISB for the period under the Profit Guarantee Period to determine the LAT or PAT for the respective Profit Guarantee Period. The cost relating to the special audit shall be borne by AISB.

The following scenarios illustrates the possible outcomes of the Profit Guarantees mechanism:-

Scenarios

Scenario 1:

AISB achieved the following PAT for the Profit Guarantee Period:

	PAT	**Number of Retention Shares released**	**Remarks**
	RM'000	**'000**	
First Profit Guarantee Period	1,000	(10,000)	Met Guaranteed PAT of RM1.0 million, hence, 10,000,000 Retention Shares shall be released to the Vendors.
Second Profit Guarantee Period	1,500	(15,000)	Met Guaranteed PAT of RM1.5 million, hence, 15,000,000 Retention Shares shall be released to the Vendors.
Third Profit Guarantee Period	2,000	(20,000)	Met Profit Guarantees of RM4.5 million, hence, remaining 20,000,000 Retention Shares shall be released to the Vendors.
Cumulative PAT	**4,500**		
Less: Profit Guarantees	(4,500)		
Excess / (Shortfall)	**-**		
Total Retention Shares to be released		**(45,000)**	
Total Retention Shares deposited with the Stakeholder		45,000	
Total Retention Shares not released		**-**	

The final Purchase Consideration for the Proposed Acquisition is as follows:-

	RM'000
Purchase Consideration	5,100
Less: Total Retention Shares not released to the Vendors	-
	5,100

Scenarios

Scenario 2:

AISB achieved the following PAT for the Profit Guarantee Period:

	PAT	Number of Retention Shares released	Remarks
	RM'000	**'000**	
First Profit Guarantee Period	1,500	(10,000)	Met Guaranteed PAT of RM1.0 million, hence, 10,000,000 Retention Shares (being the maximum number of Retention Shares to be released under the First Profit Guarantee Period) shall be released to the Vendors.
Second Profit Guarantee Period	1,000	(10,000)	Achieved PAT of RM1.0 million out of Guaranteed PAT of RM1.5 million, hence, 10,000,000 Retention Shares shall be released to the Vendors. Computation as follows:- = (PAT / Guaranteed PAT for Second Profit Guarantee Period) x 15,000,0000 Retention Shares = RM1.0 million / RM1.5 million x 15,000,000 = 10,000,000
Third Profit Guarantee Period	2,000	(25,000)	Met Profit Guarantees of RM4.5 million, hence, remaining 25,000,000 Retention Shares shall be released to the Vendors. Computation as follows:- = (Cumulative PAT / Profit Guarantees x total Retention Shares) – Retention Shares that had been released during First Profit Guarantee Period and Second Profit Guarantee Period = (RM4.5 million / RM4.5 million x 45,000,000) – 20,000,000 = 25,000,000
Cumulative PAT	**4,500**		
Less: Profit Guarantees	(4,500)		
Excess / (Shortfall)	**-**		
Total Retention Shares to be released		**(45,000)**	
Total Retention Shares deposited with the Stakeholder		45,000	
Total Retention Shares not released		**-**	

Scenarios
The final Purchase Consideration for the Proposed Acquisition is as follows:-

	RM'000
Purchase Consideration	5,100
Less: Total Retention Shares not released to the Vendors	-
	5,100

Scenario 3:

AISB achieved the following PAT for the Profit Guarantee Period:

	PAT	Number of Retention Shares released	Remarks
	RM'000	'000	
First Profit Guarantee Period	1,500	(10,000)	Met Guaranteed PAT of RM1.0 million, hence, 10,000,000 Retention Shares (being the maximum number of Retention Shares to be released under the First Profit Guarantee Period) shall be released to the Vendors.
Second Profit Guarantee Period	3,000	(15,000)	Met Guaranteed PAT of RM1.5 million out of Guaranteed PAT of RM1.5 million, hence, 15,000,000 Retention Shares (being the maximum number of Retention Shares to be released under the Second Profit Guarantee Period) shall be released to the Vendors.
Third Profit Guarantee Period	-	(20,000)	Met Profit Guarantees of RM4.5 million, hence, remaining 20,000,000 Retention Shares shall be released to the Vendors. Computation as follows:- = (Cumulative PAT / Profit Guarantees x total Retention Shares) – Retention Shares that had been released during First Profit Guarantee Period and Second Profit Guarantee Period = (RM4.5 million / RM4.5 million x 45,000,000) – 25,000,000 = 20,000,000
Cumulative PAT	**4,500**		
Less: Profit Guarantees	(4,500)		
Excess / (Shortfall)	**-**		
Total Retention Shares to be released		**(45,000)**	
Total Retention Shares deposited with the Stakeholder		45,000	
Total Retention Shares not released		**-**	

Scenarios
The final Purchase Consideration for the Proposed Acquisition is as follows:-

	RM'000
Purchase Consideration	5,100
Less: Total Retention Shares not released to the Vendors	-
	5,100

Scenario 4:

AISB achieved the following PAT for the Profit Guarantee Period:

	PAT	Number of Retention Shares released	Remarks
	RM'000	'000	
First Profit Guarantee Period	4,500	(10,000)	Met Guaranteed PAT of RM1.0 million, hence, 10,000,000 Retention Shares (being the maximum number of Retention Shares to be released under the First Profit Guarantee Period) shall be released to the Vendors.
Second Profit Guarantee Period	-	-	Did not achieve PAT, hence, no Retention Shares shall be released to the Vendors.
Third Profit Guarantee Period	-	(35,000)	Met Profit Guarantees of RM4.5 million, hence, remaining 35,000,000 Retention Shares shall be released to the Vendors. Computation as follows:- = (Cumulative PAT / Profit Guarantees x total Retention Shares) – Retention Shares that had been released during First Profit Guarantee Period and Second Profit Guarantee Period = (RM4.5 million / RM4.5 million x 45,000,000) – 10,000,000 = 35,000,000
Cumulative PAT	**4,500**		
Less: Profit Guarantees	(4,500)		
Excess / (Shortfall)	**-**		
Total Retention Shares to be released		**(45,000)**	
Total Retention Shares deposited with the Stakeholder		45,000	
Total Retention Shares not released		**-**	

Scenarios
The final Purchase Consideration for the Proposed Acquisition is as follows:-

	RM'000
Purchase Consideration	5,100
Less: Total Retention Shares not released to the Vendors	-
	5,100

Scenario 5:

AISB achieved the following PAT for the Profit Guarantee Period:

	PAT	Number of Retention Shares released	Remarks
	RM'000	'000	
First Profit Guarantee Period	1,000	(10,000)	Met Guaranteed PAT of RM1.0 million, hence, 10,000,000 Retention Shares shall be released to the Vendors.
Second Profit Guarantee Period	1,500	(15,000)	Met Guaranteed PAT of RM1.5 million, hence, 15,000,000 Retention Shares shall be released to the Vendors.
Third Profit Guarantee Period	-	-	Achieved cumulative PAT of RM2.5 million, hence, no further Retention Shares shall be released to the Vendors. Computation as follows:- = (Cumulative PAT / Profit Guarantees x total Retention Shares) – Retention Shares that had been released during First Profit Guarantee Period and Second Profit Guarantee Period = (RM2.5 million / RM4.5 million x 45,000,000) – 25,000,000 = Nil
Cumulative PAT	**2,500**		
Less: Profit Guarantees	(4,500)		
Excess / (Shortfall)	**(2,000)**		
Total Retention Shares to be released		**(25,000)**	
Total Retention Shares deposited with the Stakeholder		45,000	
Total Retention Shares not released		**20,000**	

Scenarios
The final Purchase Consideration for the Proposed Acquisition is as follows:-

	RM'000
Purchase Consideration	5,100
Less: Total Retention Shares not released to the Vendors (20,000,000 Retention Shares x RM0.10 each)	(2,000)
	3,100

Scenario 6:

AISB achieved/recorded the following PAT/(LAT) for the Profit Guarantee Period:

	PAT/(LAT)	**Number of Retention Shares released**	**Remarks**
	RM'000	**'000**	
First Profit Guarantee Period	1,000	(10,000)	Met Guaranteed PAT of RM1.0 million, hence, 10,000,000 Retention Shares shall be released to the Vendors.
Second Profit Guarantee Period	(4,000)	-	Did not achieve PAT, hence, no Retention Shares shall be released to the Vendors.
Third Profit Guarantee Period	7,500	(35,000)	Met Profit Guarantees of RM4.5 million, hence, remaining 35,000,000 Retention Shares shall be released to the Vendors. Computation as follows:- = (Cumulative PAT / Profit Guarantees x total Retention Shares) – Retention Shares that had been released during First Profit Guarantee Period and Second Profit Guarantee Period = (RM4.5 million / RM4.5 million x 45,000,000) – 10,000,000 = 35,000,000
Cumulative PAT	**4,500**		
Less: Profit Guarantees	(4,500)		
Excess / (Shortfall)	**-**		
Total Retention Shares to be released		**(45,000)**	
Total Retention Shares deposited with the Stakeholder		45,000	
Total Retention Shares not released		**-**	

Scenarios
The final Purchase Consideration for the Proposed Acquisition is as follows:-

	RM'000
Purchase Consideration	5,100
Less: Total Retention Shares not released to the Vendors	-
	5,100

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Scenarios			
Scenario 7:			
AISB achieved/recorded the following PAT for the Profit Guarantee Period:			
	PAT	**Number of Retention Shares released**	**Remarks**
	RM'000	**'000**	
First Profit Guarantee Period	500	(5,000)	Achieved PAT of RM0.5 million out of Guaranteed PAT of RM1.0 million, hence, 5,000,000 Retention Shares shall be released to the Vendors. Computation as follows:- = (PAT / Guaranteed PAT for First Profit Guarantee Period) x 10,000,0000 Retention Shares = RM0.5 million / RM1.0 million x 10,000,000 = 5,000,000
Second Profit Guarantee Period	1,000	(10,000)	Achieved PAT of RM1.0 million out of Guaranteed PAT of RM1.5 million, hence, 10,000,000 Retention Shares shall be released to the Vendors. Computation as follows:- = (PAT / Guaranteed PAT for Second Profit Guarantee Period) x 15,000,0000 Retention Shares = RM1.0 million / RM1.5 million x 15,000,000 = 10,000,000
Third Profit Guarantee Period	1,000	(10,000)	Achieved cumulative PAT of RM2.5 million, hence, 10,000,000 Retention Shares shall be released to the Vendors. Computation as follows:- = (Cumulative PAT / Profit Guarantees x total Retention Shares) – Retention Shares that had been released during First Profit Guarantee Period and Second Profit Guarantee Period = (RM2.5 million / RM4.5 million x 45,000,000) – 15,000,000 = 10,000,000
Cumulative PAT	**2,500**		
Less: Profit Guarantees	(4,500)		
Excess / (Shortfall)	**(2,000)**		
Total Retention Shares to be released		**(25,000)**	
Total Retention Shares deposited with the Stakeholder		45,000	
Total Retention Shares not released		**20,000**	

Scenarios
The final Purchase Consideration for the Proposed Acquisition is as follows:-

	RM'000
Purchase Consideration	5,100
Less: Total Retention Shares not released to the Vendors (20,000,000 Retention Shares x RM0.10)	(2,000)
	3,100

Scenario 8:

AISB recorded/achieved the following (LAT)/PAT for the Profit Guarantee Period:

	(LAT)/PAT	**Number of Retention Shares released**	**Remarks**
	RM'000	**'000**	
First Profit Guarantee Period	(1,000)	-	Did not achieve PAT, hence, no Retention Shares shall be released to the Vendors.
Second Profit Guarantee Period	1,500	(15,000)	Met Guaranteed PAT of RM1.5 million, hence, 15,000,000 Retention Shares shall be released to the Vendors.
Third Profit Guarantee Period	2,000	(10,000)	Achieved cumulative PAT of RM2.5 million, hence, 10,000,000 Retention Shares shall be released to the Vendors. Computation as follows:- = (Cumulative PAT / Profit Guarantees x total Retention Shares) – Retention Shares that had been released during First Profit Guarantee Period and Second Profit Guarantee Period = (RM2.5 million / RM4.5 million x 45,000,000) – 15,000,000 = 10,000,000
Cumulative PAT	**2,500**		
Less: Profit Guarantees	(4,500)		
Excess / (Shortfall)	**(2,000)**		
Total Retention Shares to be released		**(25,000)**	
Total Retention Shares deposited with the Stakeholder		45,000	
Total Retention Shares not released		**20,000**	

Scenarios

The final Purchase Consideration for the Proposed Acquisition is as follows:-

	RM'000
Purchase Consideration	5,100
Less: Total Retention Shares not released to the Vendors (20,000,000 Retention Shares x RM0.10)	(2,000)
	3,100

Scenario 9

AISB recorded/achieved the following (LAT)/PAT for the Profit Guarantee Period:

	(LAT)/PAT RM'000	Number of Retention Shares released '000	Remarks
First Profit Guarantee Period	(1,000)	-	Did not achieve PAT, hence, no Retention Shares shall be released to the Vendors.
Second Profit Guarantee Period	1,500	(15,000)	Met Guaranteed PAT of RM1.5 million, hence, 15,000,000 Retention Shares shall be released to the Vendors.
Third Profit Guarantee Period	(2,000)	-	Recorded cumulative LAT for the Profit Guarantees Period, hence, no further Retention Shares shall be released to the Vendors.
Cumulative LAT	**(1,500)**		
Less: Profit Guarantees	(4,500)		
Excess / (Shortfall)	**(6,000)**		
Total Retention Shares to be released		**(15,000)**	
Total Retention Shares deposited with the Stakeholder		45,000	
Total Retention Shares not released		**30,000**	

Scenarios
The final Purchase Consideration for the Proposed Acquisition is as follows:-

	RM'000
Purchase Consideration	5,100
Less: Total Retention Shares not released to the Vendors (30,000,000 Retention Shares x RM0.10)	(3,000)
	2,100

Scenario 10:

AISB achieved/recorded the following (LAT)/PAT for the Profit Guarantee Period:

	(LAT)/PAT	**Number of Retention Shares released**	**Remarks**
	RM'000	**'000**	
First Profit Guarantee Period	(1,000)	-	Did not achieve PAT, hence, no Retention Shares shall be released to the Vendors.
Second Profit Guarantee Period	(3,500)	-	Did not achieve PAT, hence, no Retention Shares shall be released to the Vendors.
Third Profit Guarantee Period	5,000	(5,000)	Achieved cumulative PAT of RM0.5 million, hence, 5,000,000 Retention Shares shall be released to the Vendors. Computation as follows:- = (Cumulative PAT / Profit Guarantees x total Retention Shares) – Retention Shares that had been released during First Profit Guarantee Period and Second Profit Guarantee Period = (RM0.5 million / RM4.5 million x 45,000,000) – Nil = 5,000,000
Cumulative PAT	**500**		
Less: Profit Guarantees	(4,500)		
Excess / (Shortfall)	**(4,000)**		
Total Retention Shares to be released		**(5,000)**	
Total Retention Shares deposited with the Stakeholder		45,000	
Total Retention Shares not released		**40,000**	

Scenarios

The final Purchase Consideration for the Proposed Acquisition is as follows:-

	RM'000
Purchase Consideration	5,100
Less: Total Retention Shares not released to the Vendors (40,000,000 Retention Shares x RM0.10)	(4,000)
	1,100

Scenario 11:

AISB recorded the following PAT/(LAT) for the Profit Guarantee Period:

	PAT/(LAT)	Number of Retention Shares released	Remarks
	RM'000	'000	
First Profit Guarantee Period	1,500	(10,000)	Met Guaranteed PAT of RM1.0 million, hence, 10,000,000 Retention Shares (being the maximum number of Retention Shares to be released under the First Profit Guarantee Period) shall be released to the Vendors.
Second Profit Guarantee Period	1,500	(15,000)	Met Guaranteed PAT of RM1.5 million, hence, 15,000,000 Retention Shares shall be released to the Vendors.
Third Profit Guarantee Period	(7,000)	-	Recorded cumulative LAT for the Profit Guarantees Period, hence, no further Retention Shares shall be released to the Vendors.
Cumulative LAT	**(4,000)**		
Less: Profit Guarantees	(4,500)		
Excess / (Shortfall)	**(8,500)**		
Total Retention Shares to be released		**(25,000)**	
Total Retention Shares deposited with the Stakeholder		45,000	
Total Retention Shares not released		**20,000**	

Scenarios

The final Purchase Consideration for the Proposed Acquisition is as follows:-

	RM'000
Purchase Consideration	5,100
Less: Total Retention Shares not released to the Vendors (20,000,000 Retention Shares x RM0.10)	(2,000)
	3,100

Scenario 12:

AISB recorded the following LAT for the Profit Guarantee Period:

	LAT	Number of Retention Shares released	Remarks
	RM'000	**'000**	
First Profit Guarantee Period	(500)	-	Did not achieve PAT, hence, no Retention Shares shall be released to the Vendors.
Second Profit Guarantee Period	(500)	-	Did not achieve PAT, hence, no Retention Shares shall be released to the Vendors.
Third Profit Guarantee Period	(1,000)	-	Recorded cumulative LAT for the Profit Guarantees Period, hence, no Retention Shares shall be released to the Vendors.
Cumulative LAT	**(2,000)**		
Less: Profit Guarantees	(4,500)		
Excess / (Shortfall)	**(6,500)**		
Total Retention Shares to be released		**-**	
Total Retention Shares deposited with the Stakeholder		45,000	
Total Retention Shares not released		**45,000**	

Scenarios	
The final Purchase Consideration for the Proposed Acquisition is as follows:-	
	RM'000
Purchase Consideration	5,100
Less: Total Retention Shares not released to the Vendors (45,000,000 Retention Shares x RM0.10)	(4,500)
	600

The Board is of the view that the Profit Guarantees is reasonable and realistic after taking into consideration, amongst others, the following:-

(i) the secured order book of AISB of RM9.9 million as at LTD, of which RM0.2 million had been recognised up to LPD, and the remaining RM9.7 million is expected to be recognised up to the FYE 31 March 2028;

(ii) the potential projects currently being tendered / pitched as at LTD, with a total contract value of RM92.9 million;

(iii) the continuation of the existing management's involvement in the day-to-day operations of AISB during the Profit Guarantee Period, being a term of the SSA;

(iv) the rationale and potential benefits to be accrued by the Group through the Proposed Acquisition as set out in Section 4 of this Circular; and

(v) the future earnings potential and prospects of the enlarged Group upon completion of the Proposed Acquisition, particularly the potential benefits anticipated to be realised from the integration of AISB's ICT solutions business with the Group's existing ICT hardware distribution network as set out in Section 6.3 of this Circular, after taking into consideration of, amongst others, the overview and outlook of the Malaysian economy as well as the outlook of the ICT industry in Malaysia as set out in Sections 6.1 and 6.2 of this Circular, respectively.

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For information, as at LPD, the secured order book of AISB stood at RM9.9 million, of which RM0.2 million had been recognised up to LPD and the remaining RM9.7 million is expected to be recognised up to the FYE 31 March 2028. The details of the secured order book is as follows:-

Nature of the business of the customers	Project details	Total contract value
		RM' million
Information technologies services specialist	To develop an intuitive user interface to create and customise a dashboard for reporting monitoring and application programming interface to facilitate seamless data exchange	4.5
Management and consultancy services provider	To develop and implement technical and vocational education and training system	4.5
Charitable fund	Migration and enhancement of platform	0.4
Digital marketing agency	Enhancement of mobile application	*
Digital solutions provider	To develop and deliver an intelligent, scalable, and integration-ready AI automation layer for a platform	0.5
		9.9

Note:-

* Less than RM0.1 million.

As at LPD, AISB also in the midst of tendering / pitching 5 projects with a total contract value of RM92.9 million as follows:-

Project details	Estimated contract value	Expected timeframe for the outcome of the tenders/ pitches	Expected successful rate*
	RM' million		
Development and implementation of an integrated public housing management system	45.2	Quarter 3 of year 2026	80.0%
Renewal and enhancement of the nationwide automated fire monitoring system	27.0	Quarter 2 of year 2026	20.0%
Design, development, and managed operations of a centralised data warehouse and business intelligence platform to support analytics, reporting, and data-driven decision making	12.5	Quarter 2 of year 2026	20.0%

Project details	Estimated contract value	Expected timeframe for the outcome of the tenders/ pitches	Expected successful rate*
	RM' million		
Expansion and modernisation of the centralised attendance management system.	7.2	Quarter 2 of year 2026	10.0%
Pilot deployment, configuration, and evaluation of smart teaching boards for special education schools to support digital learning adoption and nationwide scalability.	1.0	Quarter 2 of year 2026	10.0%
	92.9		

Note:-

* As ascribed by AISB, after taking into consideration the progress of the tenders/pitches as well as the communication with the respective prospects.

2.4 Basis and justification in arriving at the Purchase Consideration

The Purchase Consideration of RM5.1 million was arrived at on a "willing-buyer willing-seller" basis, after taking into consideration, amongst others, the following:-

(i) A valuation report dated 22 January 2026 by KJCS, whereby KJCS had arrived at a market value of 100.0% equity interest of AISB ranging from RM9.9 million to RM10.6 million.

In arriving at the market value of the 100.0% equity interest in AISB, KJCS had adopted discounted cash flow ("**DCF**") method as the primary method. The DCF method is an investment appraisal technique, which takes into consideration both the time value of money and the cash flow over a fixed period of time. Under this method, the free cashflow to equity from the investment is discounted at a specified discount rate to arrive at the net present value.

A key assumption for the DCF method is the choice of a discount rate that takes into account the relevant market interest and debt to equity structure as well as the business and financial risks relating to the business. In arriving at the discount rates under the DCF method, KJCS had applied the prevailing risk-free rate, equity risk premium and beta of available comparable listed companies ("**Comcos**") as at 31 October 2025, being the valuation date, with appropriate adjustments made, after taking into consideration the size, country risk and unlisted status as well as specific characteristics, profile and other factors that may affect the operation of the AISB business.

In addition to the DCF method, KJCS had also employed the P/E multiple as a cross-check to assess the reasonableness of the market value derived from the DCF method.

The key parameters adopted by KJCS in deriving the discount rates are as follows:-

(a) Risk-free rate of 4.11%, based on the current yield of a 28-year Malaysian Government Securities (longest tenure available) as at 31 October 2025;

(b) Market risk premium of 5.94% for Malaysia;

(c) Unlevered beta of 0.55 computed based on the unlevered beta of the selected Comcos based on the 5-year daily data;

(d) Cost of equity ranging from 18.5% to 19.5% computed based on the capital asset pricing model after accounting for a discount of 40.0% for size and marketability differences and AISB's specific risk of approximately 7.5% to 8.5%; and

(e) Terminal growth rate of 1.5%.

Based on the aforementioned key parameters, the discount rates adopted has been computed as follow:-

	Low RM' million	**High RM' million**
Unadjusted cost of equity (Risk free rate + (beta x market risk premium))	7.7%	7.7%
Adjusted cost of equity (40% discount for size and marketability differences)	11.0% (rounded)	11.0% (rounded)
Cost of equity for indicative valuation of 100% equity interest in AISB (based on company's specific risk premium approximately 7.5% to 8.5%) (adjusted cost of equity + company's specific risk premium)	19.5%	18.5%
100% equity interest in AISB	9.9	10.6

The following Comcos were selected by KJCS based on the following criteria:-

(a) More than 90.0% of its businesses are involved in the provision of software development and related services; and

(b) Market capitalisation of below RM250 million.

Comcos	**Principal activities**	**Market capitalisation[(a)]**	**P/E multiple[(b)]**
		RM'million	times
Censof Holdings Berhad ("**Censof**") *(Listed on Main Market of Bursa Securities)*	Censof is a financial technology and consulting company, engages in providing financial management software solutions, consulting services, wealth management solutions and digital technology services.	113	32.8[(c)]
Cuscapi Berhad ("**Cuscapi**") *(Listed on Main Market of Bursa Securities)*	Cuscapi is a technology solutions provider specialising in software and systems that facilitate operational efficiency and enhance customer experiences in the food and beverage, retail and hospitality industries.	128	35.4[(c)]

Comcos	Principal activities	Market capitalisation[(a)]	P/E multiple[(b)]
		RM'million	times
Excel Force MSC Berhad ("**Excel Force**") *(Listed on Main Market of Bursa Securities)*	Excel Force develops, provides, and maintains software application solutions for the financial services industry.	131	29.6[(c)]
Nova MSC Berhad ("**Nova**") *(Listed on ACE Market of Bursa Securities)*	Nova is a leading provider of ready-to-deploy, industry-focused application software and services for both the Government and healthcare sectors with an international track-record.	140	(17.7)[(c)]
N2N Connect Berhad ("**N2N**") *(Listed on ACE Market of Bursa Securities)*	N2N operates as a technology provider emphasising innovative solutions in the financial and banking services sector. The company specialises in delivering comprehensive trading platforms, cloud-based information technology ("**IT**") solutions, and varied services that cater to the needs of financial institutions, including banks and brokerages. The company operates primarily within the financial services sector. These areas include software development and IT services, trading platforms and cloud solutions.	201	12.8
Openmove AI Berhad (formerly known as Rexit Berhad) ("**Openmove**") *(Listed on ACE Market of Bursa Securities)*	Rexit is a company that focuses on delivering solutions and services to the financial services sector, particularly the general insurance industry. The company's comprehensive understanding of the business processes and operations of the industry, alongside its capacity to consistently identify technological advancements and adapt them effectively for the benefit of its clients, has established the company as the preferred solutions partner in the financial services landscape.	92	14.1
RedPlanet Berhad ("**RedPlanet**") *(Listed on LEAP Market of Bursa Securities)*	RedPlanet is an investment holding company that provides geographic information system, and ICT solutions.	52	9.8

Comcos	Principal activities	Market capitalisation[a]	P/E multiple[b]
		RM'million	times
Agmo Holdings Berhad ("**AHB**") *(Listed on ACE Market of Bursa Securities)*	AHB engages in digital transformation consultancy and advisory services in Malaysia, Hong Kong, Singapore, Vietnam, and internationally. The company operates through four segments: development of bespoke digital solutions; provision of digital platform-based services; provision of subscription, hosting, and technical support and maintenance services; and provision of training and development services.	137	16.6
Selected P/E multiples - Before size and marketability adjustment of 40.0%[d]:			
		Minimum	9.8
		Maximum	16.6
		Average	13.3
Selected P/E multiples - After size and marketability adjustment of 40.0%[e]:			
		Minimum	5.9
		Maximum	10.0
		Average	8.0

Notes:-

(a) Based on closing price and total number shares outstanding of the respective Comcos as at 31 October 2025.

(b) Computed based on market capitalisation divided by the latest available trailing twelve-month earnings for the respective Comcos.

(c) The P/E multiples of the aforementioned Comcos were significantly higher than the remaining peer group range of 9.8 times to 16.6 times and are deemed as outlier in view of the following reasons:

- Censof – 61.1% of this company's revenue (based on the latest annual report) was derived from the provision of financial management solutions to Government;

- Cuscapi – this company focuses on sale of point-of sales system only; and

- Excel Force – this company provides securities trading solutions to financial services industry.

Nova was loss-making for the trailing twelve months, hence, not included in the calculation.

(d) Having considered that the sale shares are unlisted shares and are not freely tradeable as compared to the selected Comcos, a discount of 40.0% have been made to the applied P/E multiples to adjust for the size and marketability differences between AISB and comparable listed companies. This adjustment results in an increase of approximately 3.0% in the applied discount rate, of which the adjustment is supported by empirical research on illiquidity premiums by Professor Aswath Damodaran, who suggests applying an illiquidity premium of 3% to 4% to the discount rate. (*Source: https://people.stern.nyu.edu/adamodar/pdfiles/country/illiquidity.pdf)*

(e) The selected P/E multiples ranging from 9.8 times to 16.6 times were adjusted to reflect the relative size and marketability differences between AISB and the selected Comcos using formula as follow:

Adjusted P/E = Selected P/E multiples X (1 - 40%)

Based on the market value range from RM9.9 million to RM10.6 million and the average Guaranteed PAT of RM1.5 million, the implied P/E multiples range from 6.6 times to 7.1 times, which fall within the range of adjusted P/E multiples of Comcos of 5.9 times to 10.0 times.

For information, based on the market value range from RM9.9 million to RM10.6 million, the P/E multiples range from 24.8 times to 26.5 times based on AISB's PAT of RM0.4 million for the FYE 31 March 2025, which does not fall within the range of adjusted P/E multiples of Comcos.

Based on the terms of the SSA, in the event AISB does not meet the Profit Guarantees for the Profit Guarantee Period, the Consideration Shares to be released to the Vendors (i.e. the Purchase Consideration) shall be based on the Profit Guarantee mechanisms as set out in Section 2.3 of this Circular. In particular, if AISB records losses for the Profit Guarantee Period, the consideration to be given to the Vendor will be only RM0.6 million (being the first tranche Consideration Shares which shall be released to the Vendors on Completion Date). For information, AISB has an unaudited NA of RM1.2 million as at 31 October 2025.

The Board is of the view that the Proposed Acquisition based on the forward P/E multiple (i.e. the average Guaranteed PAT of RM1.5 million) is reasonable after taking into consideration the secured order book of AISB of RM9.9 million as at LTD, of which RM0.2 million had been recognised up to LPD, and the remaining RM9.7 million is expected to be recognised up to the FYE 31 March 2028.

(ii) the Profit Guarantees as detailed in Section 2.3 of this Circular;

(iii) on an as is basis, premised on the unaudited NA of AISB as at 31 October 2025 and assuming the Profit Guarantees of RM4.5 million for the entire Profit Guarantee Period is achieved, the proforma NA of AISB at the end of the Profit Guarantee Period is approximately RM5.7 million (based on unaudited NA as at 31 October 2025 of RM1.2 million plus the Profit Guarantees of RM4.5 million);

(iv) the rationale and potential benefits to be accrued to the Group through the Proposed Acquisition; and

(v) the future prospects of the enlarged Group as detailed in Section 6.3 of this Circular.

2.5 Basis and justification in arriving at the Issue Price

The Issue Price of RM0.10 per Consideration Share was arrived at on a "willing-buyer willing-seller" basis, which represents a discount of 19.7% to the 5-day VWAP of Artroniq Shares up to and including LTD of RM0.1245.

For information, the historical VWAP of Artroniq Shares up to LTD and LPD are as follows:-

Up to LTD	VWAP	Discount of the Issue Price to the VWAP	
	RM	RM	%
- 5-day	0.1245	0.0245	19.7
- 1-month	0.1250	0.0250	20.0
- 3-month	0.1267	0.0267	21.1
- 6-month	0.1202	0.0202	16.8
- 12-month	0.1046	0.0046	4.4

Up to LPD	VWAP	Discount of the Issue Price to the VWAP	
	RM	RM	%
- 5-day	0.1405	0.0405	28.8
- 1-month	0.1366	0.0366	26.8
- 3-month	0.1423	0.0423	29.7
- 6-month	0.1305	0.0305	23.4
- 12-month	0.1163	0.0163	14.0

The Board takes cognisance that the Issue Price is at:

(i) a discount ranging between 4.4% to 21.1% to the historical VWAP of Artroniq Shares up to LTD;

(ii) a discount of 33.3% to the NA per Share of Artroniq of RM0.15 based on the audited consolidated financial statements for the FYE 31 December 2024;

(iii) a discount of 23.1% to the NA per Share of Artroniq of RM0.13 based on the unaudited consolidated financial statements for the 9-month FPE 30 September 2025.

For information, the Issue Price is at a discount of RM0.02 per Share based on the unaudited net tangible assets of Artroniq (excluding goodwill on consolidation) of RM0.12 as at 30 September 2025.

It is also noted that the Issue Price is a negotiated term between the parties, after considering that Artroniq Group has been recording losses for the audited consolidated financial statements for the 18-month FPE 30 June 2023 and 18-month FPE 31 December 2024 as well as unaudited consolidated financial statements for the 9-month FPE 30 September 2025, thus the discount is to provide incentive to the Vendors to accept the Consideration Shares as settlement for the Purchase Consideration, which will enable the Group to conserve its cash resources.

Premised on the aforementioned, the Board is of the opinion that the Issue Price is reasonable.

2.6 Ranking of the Consideration Shares

The Consideration Shares shall, upon issuance and allotment, rank equally in all respects with the existing Artroniq Shares, save and except that the Consideration Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid for which the entitlement date precedes the date of issuance and allotment of the said Consideration Shares.

2.7 Listing and quotation of the Consideration Shares

Bursa Securities had vide its letter dated 2 April 2026, approved the listing and quotation of 51,000,000 Consideration Shares to be issued pursuant to the Proposed Acquisition on the ACE Market of Bursa Securities as set out in Section 10 of this Circular, subject to the conditions set out therein.

2.8 Additional financial commitment

Upon completion of the Proposed Acquisition, there will be no additional financial commitments to be incurred by the Group to put the business of AISB on-stream, in view that it is already in operation and is generating income and cash flow.

2.9 Liabilities to be assumed by Artroniq

Save for the Purchase Consideration, Artroniq does not foresee any liabilities, including contingent liabilities and guarantees, to be assumed by Artroniq Group arising from the Proposed Acquisition. For avoidance of doubt, the liabilities stated in AISB's statements of financial position will be consolidated into the financial statements of Artroniq Group following the completion of the Proposed Acquisition.

For information, the assets and liabilities of AISB as at 31 March 2025 and 31 October 2025 are as follows:-

	Audited as at 31 March 2025	**Unaudited as at 31 October 2025**
	RM'000	RM'000
Total assets	2,771	3,287
Total liabilities	2,141	2,102

3. PROPOSED DIVERSIFICATION

As at LPD, the Group is principally involved in the following:-

(i) **Trading of ICT products and ICT related services**: Distribution of ICT products, provision of point-of-sales solutions and distribution of point-of-sales hardware, peripherals and related service; and

(ii) **Semiconductor**: Trading, manufacturing and design of jig and fixture, precision tooling component, machinery parts and related products.

The revenue and PAT/(LAT) of the Group based on the audited consolidated financial statements for the FYE 31 December 2021, 18-month FPE 30 June 2023 and 18-month FPE 31 December 2024 as well as the unaudited consolidated financial statements for the FYE 31 December 2025 are as follows:-

Revenue

	Audited						**Unaudited**	
Segments	**FYE 31 December 2021**		**18-month FPE 30 June 2023**		**18-month FPE 31 December 2024**		**FYE 31 December 2025**	
	RM'000	**%**	RM'000	**%**	RM'000	%	RM'000	%
Continuing operations								
Trading of ICT products and ICT related services[(a)]	269,306	100.0	143,051	96.0	27,296	62.4	491	4.7
Finance and investment consultation services	-	-	2,159	1.5	-	-	-	-
Semiconductor	-	-	3,788	2.5	10,871	24.8	9,893	95.3
Total revenue from continuing operations	**269,306**	**100.0**	**148,998**	**100.0**	**38,167**	**87.2**	**10,384**	**100.0**

	Audited						Unaudited	
Segments	**FYE 31 December 2021**		**18-month FPE 30 June 2023**		**18-month FPE 31 December 2024**		**FYE 31 December 2025**	
	RM'000	**%**	RM'000	**%**	RM'000	%	RM'000	%
Discontinued operations								
Finance and investment consultation services(b)	-	-	-	-	5,600	12.8	1	*
Total revenue from discontinued operations	**-**	**-**	**-**	**-**	**5,600**	**12.8**	**1**	*****
Total revenue	**269,306**	**100.0**	**148,998**	**100.0**	**43,767**	**100.0**	**10,385**	**100.0**

Notes:-

* Less than 0.01%.

(a) The revenue from the trading of ICT products and ICT related services had decreased from RM269.3 million for the FYE 31 December 2021 to RM143.1 million for the 18-month FPE 30 June 2023, which was mainly due to decrease in sales in Asia market as a result of employees returning to office from remote setups which led to a lower demand for ICT products.

The revenue from the trading of ICT products and ICT related services continued to decrease from RM143.1 million for the 18-month FPE 30 June 2023 to RM0.5 million for the FYE 31 December 2025 as the management has decided to progressively reduce contribution from this segment due to the thinning margins which had caused the segment to record losses for the 18-month FPE 30 June 2023 and 18-month FPE 31 December 2024.

(b) The finance and investment consultation services are in relation to the operation of a former subsidiary named PVCSB.

During the 18-month FPE 31 December 2024, the Group had committed to a plan and commenced effort to dispose its 100% equity interest in PVCSB in view that the money lending business is no longer aligned with the Group's long-term strategic direction.

As such, the assets and liabilities related to PVCSB had been presented as held for sale for the 18-month FPE 31 December 2024 and the revenue generated from PVCSB had been classified under discontinued operation. The RM5.6 million was generated from interest income from the money lending services.

On 19 February 2025, the Board announced the Group's plan to dispose 100% equity interest in PVCSB to Grand Business Merchant Sdn Bhd for a total consideration of RM6,500,000. The disposal was completed on 25 February 2025.

PAT/(LAT)

Segments	Audited FYE 31 December 2021 RM'000	%	18-month FPE 30 June 2023 RM'000	%	18-month FPE 31 December 2024 RM'000	%	Unaudited FYE 31 December 2025 RM'000	%
Continuing operations								
Investment holding	(3,442)	(65.8)	(6,991)	(62.1)	(9,352)	(29.8)	(3,567)	(51.4)
Trading of ICT products and ICT related services	3,722	71.2	(6,866)	(61.0)	(18,748)	(59.7)	(2,294)	(33.1)
Finance and investment consultation services	-	-	1,219	10.8	-	-	-	-
Electric Motorbikes Business[(a)]	-	-	(236)	(2.1)	(7,630)	(24.3)	(2,218)	(32.0)
Semiconductor	-	-	1,172	10.4	(47)	(0.1)	1,170	16.9
Total PAT/(LAT) from continuing operations	**280**	**5.4**	**(11,702)**	**(103.9)**	**(35,777)**	**(113.9)**	**(6,909)**	**(99.6)**
Discontinued operations								
Resin compound for wire and cable	(207)	(4.0)	(39)	(0.3)	(138)	(0.4)	(22)	(0.3)
Resin compound for other industries	5,151	98.6	480	4.2	(45)	(0.1)	(10)	(0.1)
Finance and investment consultation services	-	-	-	-	4,554	14.4	(2)	*
Total PAT/(LAT) from discontinued operations	**4,944**	**94.6**	**441**	**3.9**	**4,371**	**(13.9)**	**(34)**	**(0.4)**
PAT/(LAT)	**5,224**	**100.0**	**(11,261)**	**(100.0)**	**(31,406)**	**(100.0)**	**(6,943)**	**(100.0)**

Note:-

∗ Less than 0.1%

(a) The Group had on 12 January 2023 entered into a memorandum of agreement with Beno, Inc to provide assembly services to complete the production of the "Reevo Bikes". Accordingly, the Company had on 19 May 2023 obtained approval from its shareholders to diversify the Group's principal activities to include electronic bicycles assembly and manufacturing business.

For information, the Company had on 6 July 2023 completed a private placement which raised a total of RM42.7 million, of which RM9.6 million had been utilised for the electronic bicycle segment (as detailed in Section 5 of this Circular). Nevertheless, the parts (i.e. handlebar, ambient light sensor, charging port, hubless wheel and wheel lock etc.) were subsequently not delivered to Malaysia as a result of continued delay from Beno, Inc despite the Group's effort to follow-up with them. In view that the Group had not made any payment to Beno, Inc for the purchase of the aforementioned parts, the Group did not seek recourse from Beno, Inc (after having sought legal advice on the matter) and the memorandum of agreement eventually lapsed on 11 January 2025.

The Group had also on 11 September 2023 entered into a distribution agreement with a company in Indonesia ("**Supplier**") for the distribution of 2 models of electric motorbikes in Malaysia ("**2023 Distribution Agreement**"). On 1 October 2025, the Group had entered into a distribution agreement (which was extended by a letter dated 28 March 2026) with the Supplier just to distribute 1 model of electric motorbike (i.e. model TX1800) in Malaysia. The said distribution is valid until 30 June 2026 ("**2025 Distribution Agreement**").

The Group had on 11 November 2024 obtained a certification from the Jabatan Pengangkutan Jalan for the electric motorbikes and Ministry of Investment, Trade and Industry ("**MITI**") had on 26 January 2026 granted the approval for the import of 10 units electric motorbikes (completely built-up) and assembly of electric motorbikes (semi-knocked-down and/or completely-knocked-down).

In view of the aforementioned MITI approval (particularly which allows the assembly of electric motorbikes), the Group had vide its letter dated 9 March 2026 initiated discussion the Supplier on a potential new collaboration which involve the Group assembling the electric motorbikes (semi-knocked-down and/or completely-knocked-down) (via a contract manufacturer) in Malaysia.

As at LPD, the Electric Motorbikes Business has yet to commence operations as MITI only granted the approval to the Group on 26 January 2026. For information, the Group had engaged a contract manufacturer for the assembly of the electric motorbikes.

The Company will seek the approval from its shareholders on the diversification into Electric Motorbikes Business in the event the Company envisages that the Electric Motorbikes Business will contribute 25% or more of the net profits and/or result in diversion of 25% or more of the net assets of Artroniq Group going forward, in accordance with the Listing Requirements.

The Proposed Acquisition will provide an alternative income stream to the Group and the Proposed Diversification is required to facilitate the Group's diversification pursuant to the Proposed Acquisition. As the Board expects the new business to contribute 25% or more of the net profits and/or result in diversion of 25% or more of the net assets of Artroniq Group going forward, Artroniq is seeking the approval from the shareholders of Artroniq for the Proposed Diversification at the Company's forthcoming EGM pursuant to Rule 10.13(1) of the Listing Requirements. Notwithstanding the Proposed Diversification, the Group will continue with its existing business activities, save for the discontinued operations.

3.1 Key management personnel of AISB

In accordance with the terms of the Shareholders' Agreement, AISB shall be managed by its board of directors comprising 2 representatives from Artroniq and 1 representative from AHSB, namely Encik Faris. The business operations of AISB will continue to be spearheaded by Encik Faris and his team.

The profile of the existing and proposed key management personnel of AISB is as follows:-

(i) Encik Faris, Malaysian, aged 33

Encik Faris is the Founder and Chief Executive Officer of AISB as well as the Founder of AHSB. He is responsible for building, scaling and leading AISB, overseeing its strategic direction and growth initiatives as well as managing key client relationships and strategic technology partnerships.

Encik Faris graduated from the University of Kent, United Kingdom with a Bachelor of Arts (Joint Honours) in Accounting & Finance and Economics in July 2015. He subsequently obtained a Master in Entrepreneurship from Judge Business School, University of Cambridge in June 2025. He is also a member of the following professional bodies:-

- Malaysian Institute of Accountants (MIA);
- Institute of Corporate Directors Malaysia (ICDM);
- Institute of Chartered Accountants in England and Wales (ICAEW);
- Chartered Institute for Securities & Investment (CISI), United Kingdom; and
- Certified Public Accountant (CPA), Australia.

Encik Faris began his career in September 2015 with PricewaterhouseCoopers LLP in London and where he was involved in mergers and acquisitions and divestment transactions. He left the firm in September 2018.

In January 2018, Encik Faris co-founded Sterling Equity Sdn Bhd, an investment holding company. Following his return to Malaysia in October 2018, he focused on the operations of Sterling Equity Sdn Bhd. He has served as a director of Sterling Equity Sdn Bhd since its incorporation up till to-date and he has been involved in overseeing the strategic direction of the company.

In April 2019, Encik Faris co-founded Ecquitas Pte Ltd, a financial technology company in Singapore which focused on private-market secondary trading. He served as Chief Executive Officer up to June 2022 and was involved in structuring and advising on transactions involving private equity stakes and technology companies.

Thereafter, Encik Faris founded AISB in June 2022 and AHSB in December 2022, and has assumed directorship roles in both companies since their respective incorporations.

(ii) Mr Lor, Malaysian, aged 35

Mr Lor joined AISB as the Chief Operating Officer since June 2022. He oversees AISB's strategic operations.

He graduated from Curtin University with a Bachelor's Degree in Accounting & Finance in January 2013. He obtained a Master of Arts in Management Studies from University of Hertfordshire in June 2015 and Master of Business Administration from INTI International University in November 2015.

He started his career as an Audit Associate with Ryan and Partners, Penang in November 2012 and left the firm in August 2013. He joined various companies for finance related roles from September 2013 to May 2018.

Subsequently, he joined Maxis Malaysia's Finance and Strategy Division as a Specialist in June 2018, where he was involved in the financial evaluations, business cases review, business analytics and forecasting.

He left Maxis Malaysia in May 2019 and joined Mama Net, a company with a digital platform designed for parents as Head, Product Development & Operations where he was participating in the expansion of the network of the platform and he left in October 2021.

Subsequently, he joined AxeHedge Sdn Bhd as the Chief Operating Officer in December 2021, where he was tasked with investment analysis and asset allocation and he left in November 2023.

As at LPD, he is the COO of Sterling Equity Sdn Bhd (joined since June 2022), AHSB (joined since November 2023) and AISB (joined since June 2022), where he is involved in the investment analysis, asset allocation and oversees the companies' strategic operations.

4. RATIONALE FOR THE PROPOSALS

As at LPD, Artroniq Group is principally involved in the trading of ICT products and ICT related services and Semiconductor businesses. AISB is principally involved in software development, cloud computing, technology consultancy, AI and enterprise solutions. AISB operates in a similar industry as the Group. The Group believes that AISB's business will be complementary to Artroniq's business in trading of ICT products and ICT related services after taking into consideration the following:-

(i) expansion of customer base of Artroniq Group in view that AISB's specialisation in software solutions will enable the Artroniq Group to offer both hardware and software solutions moving forward via the Group's enlarged network, as a more comprehensive technology provider; and

(ii) consolidation of resources and business opportunities of the existing Artroniq Group with AISB which are in the similar industry. This will allow the existing Group and AISB to derive cross selling opportunities to an enlarged customer base, and enable cost savings by sharing common resources such as centralised administrative functions, procurement channels, and technical support infrastructure.

As a term to the SSA, AISB will continue to be operating under the leadership of Encik Faris for the Profit Guarantee Period. This will ensure the operational continuity and leadership stability of AISB subsequent to the completion of the Proposed Acquisition. Subsequent to the Profit Guarantee Period, the Group will strive to adopt appropriate measures to retain Encik Faris and attract qualified personnel who have relevant experience, including provide attractive remuneration, requisite training, career advancement opportunities and other employment benefits to ensure continuity of the operations of AISB. Furthermore, Encik Faris' transition into a shareholder of Artroniq creates a direct alignment of interests between the subsidiary's leadership and the Group's stakeholders. This strategic investment ensures his long-term commitment to steering AISB towards sustained earnings growth, which is expected to strengthen the Group's consolidated financial position and drive long-term enhancement of shareholder value.

The Board is also of the view that the issuance of Consideration Shares as settlement of the Purchase Consideration will enable the Group to conserve its cash resources and thereby provide greater flexibility to utilise its cash resources to fund the Group's existing businesses as well as align the interest of Encik Faris with those of the Group as a shareholder of the Company.

The Proposed Diversification is sought to facilitate the Proposed Acquisition.

4.1 Value creation and impact of the Proposals to the Group and shareholders of the Company

Artroniq Group has been recording losses for the audited consolidated financial statements for the 18-month FPE 30 June 2023 and 18-month FPE 31 December 2024 as well as unaudited consolidated financial statements for the FYE 31 December 2025. The Proposals are expected to improve the financial performance of the Group in view that AISB has a total secured order book of AISB stood at RM9.9 million as at LPD, of which RM0.2 million had been recognised up to LPD and the remaining RM9.7 million is expected to be recognised up to the FYE 31 March 2028. This would in turn contribute to the financial performance of the Group for the future financial years.

Besides, the Group believes that AISB's business will be complementary to Artroniq's business in trading of ICT products and ICT related services which could expand the customer base of Artroniq Group in view that AISB's specialisation in software solutions will enable the Artroniq Group to offer both hardware and software solutions moving forward via the Group's enlarged network, as a more comprehensive technology provider. This will also allow the existing Group and AISB to derive cross selling opportunities to an enlarged customer base.

Notwithstanding that the Proposed Acquisition will be satisfied via the Consideration Shares to the Vendors which will result in a dilution to Artroniq shareholders' shareholdings in the Company, it allows the Group to conserve its cash resources and utilise its cash resources to fund the Group's existing businesses.

4.2 Adequacy of the Proposals in addressing the Group's financial concerns

The Proposals do not involve raising of funds to address the Group's financial concerns. Nevertheless, the Proposals are expected to provide the Group with a new income source and improve the Group's financial performance via consolidation of the financial results of AISB.

4.3 Steps or actions which have been taken/will be taken to improve the financial condition of the Group

(i) Venture into new businesses

The Group had in the past ventured into the following businesses which provided alternative income stream to the Group:

(a) ICT business

- The acquisition of entire equity interest in EA Global Integrated Sdn Bhd which was completed on 17 December 2018, was intended to reduce the Group's reliance on the business of manufacturing resin compound for wire and cable as well as other industries (which was the primary source of business prior to year 2018).

- The acquisition of the business undertakings of EA Comtronix Sdn Bhd which was completed on 18 March 2020, was intended to expand the Group's ICT business via broadened geographical presence of which include countries such as United Arab Emirate and Vietnam and as well as expand the Group's ICT product offerings namely mobile phones, desktop computers and projectors.

(b) Semiconductor business

- The acquisition of 60.0% equity interest in Fujim Digital Sdn Bhd which was completed on 6 January 2023 was intended to reduce the Group's reliance on ICT business (which was the sole revenue contributor prior to the said acquisition).

(c) Electronic bicycles assembly and manufacturing business

- The Group had on had on 12 January 2023 entered into a memorandum of agreement with Beno, Inc to provide assembly services to complete the production of the “Reevo Bikes”. Accordingly, the Company had on 19 May 2023 obtained approval from its shareholders to diversify the Group’s principal activities to include electronic bicycles assembly and manufacturing business in order to expand its income sources.

  However, the memorandum of agreement had lapsed on 11 January 2025.

(d) Electric Motorbikes Business

- The Group had on 11 September 2023 entered into the 2023 Distribution Agreement with the Supplier for the distribution of 2 models of electric motorbikes in Malaysia. On 1 October 2025, the Group had entered the 2025 Distribution Agreement with the Supplier just to distribute 1 model of electric motorbike (i.e. model TX1800) in Malaysia which is envisaged to improve the Group’s financial performance moving forward. The said distribution is valid until 30 June 2026.

- The Group is currently in discussion with the Supplier on a potential new collaboration which involve the Group assembling the electric motorbikes (semi-knocked-down and/or completely-knocked-down) (via a contract manufacturer) in Malaysia.

(ii) Private placements

Artroniq had in the past 5 years completed several private placements (as detailed in Section 5 of this Circular) to raise proceeds for, amongst others, purchase of inventories for its ICT business, setting up electronic bicycle assembly and manufacturing business, research and development for blockchain-based financial services as well as utilised as working capital of the Group.

The proceeds from the private placements allowed the Group to have greater flexibility to manage its cash flows (by deciding whether to draw down on the bank facilities made available to the Group).

(iii) Cessation of non-core business/loss making business and disposal of properties

(a) The Group had ceased the business of manufacturing resin compound for wire and cable as well as other industries in September 2020 in view of the competitive operating environment and the business was loss-making.

(b) The Group had disposed 2 leasehold lands with building and structures thereon in Johor in year 2023 for a total consideration of RM5.6 million following the cessation of the business of manufacturing resin compound for wire and cable as well as other industries, in order to unlock the value of the unused properties and the proceeds raised from the said disposal had been mainly utilised for the purchase of inventories for ICT business and as working capital.

(c) The Group had disposed a land with single-storey semi-wooden house erected thereon in Penang in year 2024 for a total consideration of RM1.8 million due to the said property was not in use. The proceeds raised from the said disposal had been utilised to pare down the Group’s borrowings.

(d) The Group had disposed the entire equity interest in PVCSB in year 2025 for a total consideration of RM6.5 million in view that the money lending business is no longer aligned with the Group’s long-term strategic direction. The proceeds from the said disposal will be utilised as the Group’s working capital.

(iv) Share capital reduction

The Company had on 6 January 2026 completed a share capital reduction of RM75.0 million pursuant to Section 116 of the Act. The share capital reduction allowed the Group rationalise their financial positions by reducing their accumulated losses via cancellation of issued share capital which is substantially unrepresented by available assets, to reflect more accurately the value of the underlying assets and financial position of the Company and the Group.

The reduction of accumulated losses in the statements of financial position of the Company and the Group is expected to enhance their credibility with bankers, customers, suppliers, investors and other stakeholders and also provide a better financial platform for the Group's future growth.

(v) Proposed Acquisition and Proposed Diversification

The Proposals are expected to expand the customer base of Artroniq Group which allow the Group to become a more comprehensive technology provider which offer both hardware and software solutions as well as allow cross-selling of products/solutions moving forward, which in turn could improve the Group's financial performance.

5. DETAILS OF FUND-RAISING EXERCISES UNDERTAKEN FOR PAST 5 YEARS

Save as disclosed below, the Company has not undertaken any fund-raising exercises in the past 5 years up to LPD:-

(i) Private placement 2021

On 28 January 2022, the Company successfully completed a private placement of 28,893,200 Shares at an issue price of RM0.45 per share which raised RM13.0 million. This said private placement was undertaken via a general mandate obtained from the shareholders at the extraordinary general meeting convened on 3 February 2021 in conjunction with the "Additional Temporary Relief Measures to Listed Issuers" announced by Bursa Securities on 16 April 2020 whereby the limit prescribed under Rule 6.04 of the Listing Requirements had increased from 10% to 20%.

As at LPD, the proceeds from the aforementioned private placement had been fully utilised as follows:-

Purpose	Proposed utilisation of proceeds	Actual utilisation	Variation
	RM'000	**RM'000**	**RM'000**
Purchase of inventories for its ICT business	11,302	[(a)]11,631	(329)
Working capital	1,200	[(b)]1,200	-
Expenses for private placement	500	171	329
	13,002	**13,002**	**-**

Notes:-

(a) The Group had utilised the proceeds for the purchase of inventories i.e. printers, central processing units (CPU), desktop terminals, POS systems and laptops, for its trading of ICT products and ICT related services segment.

(b) The proceeds allocated for the Group's working capital had been utilised for the payment of salaries, allowances and incentives for the sales and marketing staff, utilities, statutory payments such as custom duties, and other overhead expenditures, including shipping expenses and rentals for office and warehouse.

(ii) Private placement 2023

On 6 July 2023, the Company successfully completed a private placement of 65,659,400 Shares at an issue price of RM0.65 per share which raised RM42.7 million. The said private placement was undertaken via the specific approval from shareholders at the extraordinary general meeting convened on 19 May 2023.

As at LPD, the proceeds from the aforementioned private placement had been fully utilised as follows:-

Purpose	**Proposed utilisation of proceeds**	**Actual utilisation**	**Variation**
	RM'000	**RM'000**	**RM'000**
Electronic bicycle assembly and manufacturing business	14,012	[(a)]9,583	4,429
Working capital	28,117	[(b)]32,853	(4,736)
Expenses for proposals	550	243	307
	42,679	**42,679**	**-**

Notes:-

(a) The Group had utilised the proceeds allocated for electronic bicycle assembly and manufacturing business as follow:

Description	**RM'000**
Setting up of office (including fittings, furniture and equipment) and setting up inventory/storage facility[(aa)], purchase of software, setup and installation of security system	1,918
Procurement of machineries[(bb)]	1,508
Purchase of inventories[(cc)]	135
Assembly plant[(aa)] related expenses i.e. marketing and promotional activities, rental, utilities, staff allowances, travelling or transportation, staff amenities and other office operating expenses	2,444
Staff costs[(dd)] which include staff salary, remuneration and contributions to the Employees Provident Fund Board and the Social Security Organisation, and deductions to be paid to the Inland Revenue Board	3,578
	9,583

Notes:-

(aa) The Group had set up an office and factory located at No. 12A, Jalan Cassia Selatan 3/1, Taman Perindustrian Batu Kawan, 14100 Bandar Cassia, Pulau Pinang which has a built up area of approximately 13,803 square feet.

(bb) The Group had rented the following machineries for the electronic bicycle assembly and manufacturing business:-

	Quantity
Conveyor machine	2
Manual chain cutting machine	5
Automatic chain cutting machine	5
Two-heads bottom brackets threading machine	15
Bicycle assembly line	5
Frame testing machine	5
Handlebar and stem testing machine	5
Fork and seat post testing machine	5
Static frame testing machine	5

The Group had also utilised RM0.2 million to engage technical consultant for the consultation on planning and installation as well as RM0.3 million for conveyor belt installation.

(cc) In view of the continued delivery delay from Beno, Inc as set out in Section 3 of this Circular, the inventories were purchased from another local manufacturer for the electronic bicycle assembly and manufacturing business. Such inventories include, amongst others, electronic bicycles (for research and demonstration purpose), helmets, batteries and charges, seat post, seat clamps, motor controllers and global positioning system (GPS)/global system for mobile communications (GSM) chips etc.

(dd) The Group had also hired staff for the electronic bicycle assembly and manufacturing business as follows:-

Position	**Headcount**
Chief Technology Officer	1
Accounts Executive	1
Production Engineer	6
Production Technician	12
Production Operator	30

The aforementioned were essential to ensure the prompt commencement of the electronic bicycle assembly and manufacturing business upon the parts being delivered to Malaysia. Nevertheless, the parts were subsequently not delivered to Malaysia and the memorandum of agreement had lapsed on 11 January 2025.

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(b) The proceeds allocated for the Group's working capital had been utilised for the following:

	RM'000
Research and development for blockchain-based financial services[(aa)]	13,000
Purchase of inventories for the Group's trading of ICT products and ICT related services segment[(bb)]	6,414
Repayment of trade payables	10,117
Payment in relation to Electric Motorbikes Business[(cc)]	3,322
	32,853

Notes:-

(aa) The Group had utilised the proceeds for the research and development for blockchain-based financial services as follows:

	RM'000
Setting up of technology infrastructure	6,347
Purchase of ICT equipment and software for blockchain system development	2,449
Outsourcing cost for the system development	4,204
	13,000

(bb) The Group had utilised the proceeds for the purchase of inventories including POS terminals, POS terminals with printers, network thermal printers, serial thermal printers, laptops, tablets, switches and cables, for its trading of ICT products and ICT related services segment.

(cc) As at LPD, the Group had ordered and paid a deposit of USD0.8 million (equivalent to approximately RM3.3 million as at the payment date) for 1,000 units of semi-knocked-down and completely-knocked-down electric motorbikes and purchased 3 units of electric motorbikes for IDR119.0 million (less than RM0.1 million as at the payment date) for demonstration purpose, from the Supplier.

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(iii) Private placement 2025

On 13 March 2025, the Company successfully completed a private placement of 40,795,700 Shares which raised total proceeds of RM2.8 million via several tranches as detailed below:-

Listing date	Number of Shares issued	Issue price per Share	Total proceeds
			RM'000
12 February 2025	15,000,000	0.0680	1,020
21 February 2025	15,000,000	0.0689	1,034
6 March 2025	5,795,700	0.0720	417
13 March 2025	5,000,000	0.0697	348
	40,795,700		**2,819**

This said private placement was undertaken via a general mandate obtained from the shareholders at the 21st annual general meeting convened on 13 December 2023.

As at LPD, the proceeds from the aforementioned private placement had been fully utilised as follows:-

Purpose	Proposed utilisation of proceeds	Actual utilisation	Variation	Utilisation timeframe from LPD
	RM'000	**RM'000**	**RM'000**	
Working capital	1,548	[(a)]1,548	-	2 months
Establishment of a new head office	1,050	[(b)]1,140	(90)	2 months
Expenses for private placement	221	131	90	2 months
	2,819	**2,819**	**-**	

Notes:-

(a) The proceeds allocated for the Group's working capital had been utilised for the following:

	RM'000
Purchase of inventories for the Group's trading of ICT products and ICT related services segment[(aa)]	99
Operating and administrative expenses for the Group's trading of ICT products and ICT related services segment[(bb)]	1,449
	1,548

Notes:-

(aa) The Group had utilised the proceeds for the purchase of inventories including POS terminals, credit card terminals, laptops, tablets, and software for terminals, for its trading of ICT products and ICT related services segment.

(bb) The Group had utilised the proceeds for the staff costs, utilities, professional fees i.e. audit, taxation, share registrar, legal and company secretaries and hire purchase instalments.

(b) The proceeds allocated for the establishment of a new head office had been utilised for the rental payment of their rented temporary office located at 1st Floor, No. 12, Jalan 15/ 22, Tiong Nam Industrial Park, Section 15, 40200 Shah Alam, Selangor (including rental and utilities deposits), renovation cost and purchase of furniture and fittings for the temporary office.

The Group had on 1 February 2026 rented an office located at Jalan Metro Pudu Fraser Business Park as their new office for a period of 2 years commencing from 1 February 2026. The renovation had commenced in February 2026 and is expected to complete in 2nd Quarter of 2026.

6. INDUSTRY OVERVIEW AND PROSPECTS

6.1 Overview and outlook of the Malaysian economy

The Malaysian economy advanced by 6.3% in the fourth quarter of 2025 (3Q 2025: 5.4%), driven mainly by domestic demand. Growth in household spending was higher, driven by positive labour market conditions and income-related policy support. The strong investment growth was underpinned by stronger machinery and equipment spending, particularly for data centres, and ongoing implementation of multi-year projects by both the private and public sectors. In the external sector, exports continued to strengthen, led mainly by stronger exports of electrical and electronics ("**E&E**") goods. Inbound tourism and ICT-related services also contributed to services exports growth and surplus in the current account balance. Meanwhile, imports remained strong driven by the rebound in intermediate goods to support economic activity and productive capital-related goods reflecting the realisation of ongoing investment projects.

On the supply side, growth was mainly accounted for by the expansion in the services and manufacturing sectors. Higher growth in the services sector was mainly driven by consumer-related subsectors, government services as well as ICT subsector following the operationalisation of data centres. In the manufacturing sector, performance was driven by stronger production in the E&E sub-sector induced by higher demand from the global technology expansion, alongside the increased output of consumer-related goods. Meanwhile, the agriculture sector strengthened, reflecting higher growth for palm oil amid less severe floods compared to last year. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 0.8% (3Q 2025: 2.7%).

Headline inflation remained stable at 1.3% (3Q 2025: 1.3%) while core inflation increased to 2.3% (3Q 2025: 2%). The increase was mainly driven by faster price increases in certain core items (e.g. jewellery and watches) and base effects from mobile communication services inflation. This was largely offset by lower prices for selected administered items, particularly for electricity (-10.3%; 3Q 2025: -4.6%) and petrol (-2%; 3Q 2025: -0.6%), in line with larger discounts related to electricity generation costs during the quarter and the targeted RON95 fuel subsidy implemented beginning October 2025. Inflation pervasiveness, measured by the share of consumer price index (CPI) items registering monthly price increases, declined to 39.6% during the quarter (3Q 2025: 43.8%), remaining below the historical fourth-quarter average of 41.7%. In line with previous expectations, headline and core inflation in 2025 averaged at 1.4% and 2%, respectively (2024: headline and core inflation both averaged at 1.8%).

Bank Negara Malaysia Governor Dato' Sri Abdul Rasheed Ghaffour says, 'Malaysia's economy grew by 5.2% in 2025, on account of strong domestic demand and favourable exports, exceeding the forecast range of 4% - 4.8%. This growth momentum is expected to continue in 2026, supported by resilient domestic demand and exports.'

On the domestic front, household spending will benefit from the continued support from employment and wage growth, as well as Government policy measures. Investment activity will be driven by the further progress of multi-year projects in both the private and public sectors, with continued realisation of approved investments and implementation of catalytic initiatives under national master plans and the Thirteenth Malaysia Plan (13MP). On the external front, export growth will be underpinned by steady global demand, particularly for E&E goods. Growth will also be supported by increased tourism activities following the launch of Visit Malaysia Year 2026.

Going forward, headline inflation is expected to remain moderate in 2026 amid the continued easing in global cost conditions. The modest commodity price outlook would help to contain cost pressures on inflation. Core inflation is expected to remain broadly stable and close to its long-term average in 2026, reflecting continued expansion in economic activity and the absence of excessive demand pressures. The domestic policy reforms implemented in 2025, such as the Sales and Service Tax (SST) expansion and targeted RON95 subsidy rationalisation, are projected to result in only modest effects on inflation in 2026.

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2025, Bank Negara Malaysia)

6.2 Overview and outlook of the ICT industry in Malaysia

The services sector expanded by 8.0 per cent year-on-year in the fourth quarter of 2025, with revenue reaching RM677.8 billion, according to the Department of Statistics Malaysia ("**DOSM**") in today's release of the Quarterly Services Statistics, Fourth Quarter 2025. The services sector comprises a wide range of activities, including wholesale & retail trade; information & communication; transportation & storage; accommodation; food & beverage; professional services; real estate; private health; private education; arts, entertainment & recreation; administrative & support services; personal services & other activities, as well as e-commerce income.

The information & communication and transportation & storage segment recorded strong annual growth of 9.8 per cent, with revenue reaching RM95.8 billion in the fourth quarter of 2025. Within the information & communication subsector, growth of 9.2 per cent was supported by continued demand for telecommunications activities (4.3%) and computer services (3.4%). The emergence of data centre operations in Malaysia has also begun to contribute to the performance of this subsector. While earlier developments in the data centre industry were largely reflected through capital investment and infrastructure expansion, the transition towards operational activities is now increasingly captured in DOSM's services statistics, particularly within ICT related services. This reflects growing demand for cloud computing, data storage, data processing and digital infrastructure, positioning data centres as an important enabling component of Malaysia's evolving digital economy.

In 2026, the sector is expected to continue delivering encouraging performance, driven by the implementation of Visit Malaysia Year 2026 (VM2026), which is anticipated to further stimulate tourism activities, consumer related spending and supporting services across the sector's value chain. In line with sustained momentum in tourism, the expansion of the digital economy and the shift towards a higher value added business landscape, the services sector is expected to maintain a sustainable growth trajectory. Following the receipt of updated information on data centre industries, the indices and statistics for the First Quarter to the Third Quarter of 2025 that were previously released have been revised to incorporate recent developments in economic activities related to data centres, particularly within information and communication technology related subsector.

(Source: Media Statement: Performance of Services Sector and E-commerce Income, Fourth Quarter 2025, Department of Statistics Malaysia)

The information and communication subsector is expected to grow 4.3%, mainly driven by expansion in AI technologies, data centre and cloud computing capacities as well as continued government support through comprehensive digital policies and infrastructure upgrades. In addition, the subsector will be fuelled by higher social commerce activities via various social platforms as well as subscriptions of over-the-top (OTT) media services for e-sports and entertainment. Major sporting events such as the 2026 FIFA World Cup, BWF Thomas & Uber Cup 2026 and the 2026 Commonwealth Games will increase the number of subscribers, further boosting the subsector.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

6.3 Prospects of enlarged Artroniq Group

The Artroniq Group is of the view that AISB's specialisation in the software development and AI-native enterprise solutions coupled with Artroniq Group's existing ICT hardware distribution network will enable the Artroniq Group to effectively move up the value chain to become a comprehensive technology provider to its customers upon completion of the Proposed Acquisition. This allows the Artroniq Group to offer integrated hardware-software solutions without any additional cost to be incurred and is expected to improve the financial performance of the Artroniq Group moving forward.

In addition, the enlarged Artroniq Group is expected to benefit from cost savings via sharing of common resources such as centralised administrative functions, procurement channels, and technical support infrastructure upon completion of the Proposed Acquisition.

The enlarged Artroniq Group plans to develop an in-house software which focus on the enterprise solutions by commencing with the development of modular solution components i.e. document processing module which could assist the customers streamline their document process flow particularly administrative and accounting functions. The development of the software is expected to be done in phases over a period of 3 years from the completion of the Proposed Acquisition and the major costs for the development of this in-house software shall comprise staff costs. As such, AISB plans to hire additional staff, comprising 2 software engineers, 1 business analyst, 1 enterprise resource planning consultant, 1 project manager, 1 finance assistant manager and 1 administrative staff, for the software development as well as to cater for the order book secured and tenders/pitches to be secured. In view that the existing staffs and new staffs shall be involved in both existing business and the development of the new software, AISB believes that the development of the software may be funded via internally generated funds

After considering the positive outlook of the ICT industry as stated in Sections 6.1 and 6.2 of this Circular, as well as the enlarged Artroniq Group's ability to expand its products/services offerings, the Board is optimistic of the Artroniq Group's prospects and believe the Proposed Acquisition will improve the Artroniq Group's financial performance moving forward.

7. RISK FACTORS

The Proposed Acquisition and Proposed Diversification are not expected to materially change the risk profile of the business of the Artroniq Group as AISB is in similar business as the Artroniq Group, which is in the ICT industry.

Artroniq Group will continue to be exposed to similar business, operational and financial risks relating to the ICT industry, including amongst others, the following risks:

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7.1 Risks in relation to the ICT Industry

7.1.1 Competition risk

The Group will face competition from the existing and new players in the ICT industry. There can be no assurance that the Group will be able to compete effectively with existing competitors and new entrants in the ICT industry in the future and this may materially affect the Group's future financial performance and financial position.

Nonetheless, the Group will endeavour to take proactive measures to remain competitive by, amongst others, constantly keeping abreast with the latest technologies and market conditions and upskilling its software engineers.

7.1.2 Technological changes and innovations risk

The ICT industry undergoes continuous and rapid technological developments, with increasing levels of complexity and capabilities to digitalise business operations. The customers intend to digitalise or upgrade their system/platform may require the usage of the latest software with the relevant and up-to-date features and functions to meet the prevailing statutory requirements and/or to make their operations more efficient.

The Group's ability to adapt to these changes and requirements by developing new software or enhancing the existing software according to the latest technological development to meet the customers' demand will determine the sustainability of the business.

The Group will continuously assess emerging ICT technological changes and innovations, and invest in relevant new technologies and infrastructure to maintain its market competitiveness. However, there can be no assurance that the Group would have sufficient resources to successfully and accurately capture the latest technologies updates that fulfil the customers' demand or enhance the software by adopting relevant features and functions on a timely and cost-effective manner, will not have any material impact on the future prospects and financial performance of the Group.

7.1.3 Political, economic and regulatory risks

Any adverse developments in the political, economic and regulatory conditions in Malaysia, could materially and adversely affect the Group's business, financial performance, and prospects. Political and economic uncertainties include but are not limited to, changes in labour laws, availability of labour, a switch in political leadership and/or changes in the government's policies, interest rates, methods of taxation, monetary and fiscal policy and licensing regulations and economic downturn. These factors are generally beyond the management's control.

The Group seeks to manage such risks by monitoring the operating environment and reviewing business strategies in response to such adverse developments. There can be no assurance that adverse changes to the political, regulatory and economics conditions would not have a material impact on the Group's operations and financial performance.

7.2 Risk in relation to the Proposed Acquisition

7.2.1 Completion risk

The completion of the Proposed Acquisition is subject to, amongst others, the fulfilment of the conditions precedent of the SSA as set out in Section 2 of Appendix I of this Circular and any supplemental thereto (if any). The Proposed Acquisition may not be completed if any of the conditions precedent are not fulfilled or waived within the stipulated timeframe.

There can be no assurance that the conditions precedent can be fulfilled and the Proposed Acquisition can be completed within the time period permitted under the SSA. To mitigate such risks, the Company will take all reasonable steps to ensure that the conditions precedent that are within the Company's control will be met within the stipulated timeframe to ensure the successful completion of the Proposed Acquisition. Should there be any delay beyond the agreed time period, the Board shall negotiate with the relevant parties to the SSA to mutually extend the relevant period prior to its expiry.

7.2.2 Acquisition risk

The Proposed Acquisition is expected to contribute positively to the future earnings of the Artroniq Group. However, there can be no assurance that the anticipated benefits, such as cross-selling opportunities and cost savings, will be fully realised, or that the Artroniq Group will generate sufficient returns to offset the associated acquisition costs. The Artroniq Group also faces potential integration challenges, including workforce redundancy, overlapping job functions, and the risk that integration efforts could have a material adverse effect on the business performance and prospects of the enlarged Artroniq Group.

To mitigate these risks, the Artroniq Group has procured the Profit Guarantees as set out in Section 2.3 of this Circular. Furthermore, the Board will exercise due care by implementing a proper management structure and strictly monitoring the operations and performance of AISB to ensure a seamless integration. However, there can be no assurance that any integration efforts will not have a material adverse effect on the business performance and prospects of the enlarged Artroniq Group upon completion of the Proposed Acquisition. The Board will continue to exercise due care and take appropriate measures such as, amongst others, identifying and evaluating the risks in planning and integrating the business operations of AISB with Artroniq Group's existing business operations.

7.2.3 Achievability of the Profit Guarantees

The Profit Guarantees is based on various bases and assumptions which the Board deems reasonable, but nevertheless is subject to certain uncertainties and contingencies such as failure to secure new projects from the existing and/or new customers. While the Board has taken reasonable steps to assess the achievability of the said Profit Guarantees by assessing the historical financial performance of AISB, secured order book as well as the tender book. However, there can be no assurance that the Profit Guarantees will be achieved.

To mitigate the risk of not fulfilling the Profit Guarantees, the Vendors and Artroniq have agreed that the Retention Shares with a total value of RM4.5 million shall be deposited with the Stakeholder which will only be released progressively to the Vendors based on the mechanism for the Profit Guarantees as set out in Section 2.3 of the Circular.

7.2.4 Dependency on key management personnel of AISB

The prospects of AISB will be largely attributable to the capability, expertise, experience, business network and continued efforts of the key management personnel of AISB, namely Encik Faris and Mr Lor to continue to lead and oversee the operations and strategic matters relating to AISB.

As such, Artroniq will strive to adopt appropriate measures to retain the said key management personnel and attract qualified personnel who have relevant experience, including provide attractive remuneration, requisite training, career advancement opportunities and other employment benefits. Artroniq may also reduce its reliance on any key management personnel by regularly reviewing its staff strength and policies, as well as succession planning to address such risk progressively.

However, there is no assurance that the loss of any such key management personnel without suitable and timely replacement will not adversely affect the performance of AISB moving forward.

7.2.5 Impairment risk

Artroniq Group is expected to recognise goodwill arising from the Proposed Acquisition, the amount of which will depend on the fair value of the assets and liabilities as at the completion of the Proposed Acquisition. Goodwill is not amortised but is reviewed for impairment at least annually or more frequently when there is an indication that AISB may be impaired. If the recoverable amount of AISB is less than the carrying amount of the goodwill, an impairment loss will be recognised. Depending on the quantum of such impairment, there might potentially be a material and adverse effect on the enlarged Artroniq Group's financial position and earnings.

Artroniq Group seeks to mitigate such risk by closely monitoring the financial performance of AISB and implement appropriate strategies towards the achievement of financial target of AISB.

8. EFFECTS OF THE PROPOSALS

For illustrative purposes, the effects of the Proposed Acquisition on the issued share capital, earnings and EPS, NA, NA per Share and gearing as well as substantial shareholders' shareholdings of Artroniq have been illustrated based on the following scenarios:-

Minimum Scenario	:	Assuming none of the 182,976,800 outstanding Warrants and 35,000,000 ESOS options as at LPD are exercised into new Shares prior to the completion of the Proposed Acquisition.
Maximum Scenario	:	Assuming all of the 182,976,800 outstanding Warrants and 35,000,000 ESOS options as at LPD are exercised into new Shares prior to the completion of the Proposed Acquisition.

The Proposed Diversification will not have any effect on the issued share capital, NA and gearing, earnings and EPS as well as substantial shareholders' shareholdings in Artroniq**.**

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8.1 Issued share capital

The proforma effects of the Proposed Acquisition on the issued share capital of Artroniq are as follows:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	**RM'000**	**No. of Shares**	**RM'000**
Share capital as at LPD	448,753,504	37,542	448,753,504	37,542
Assuming issuance of new Shares pursuant to the exercise of outstanding Warrants	-	-	182,976,800	(a)109,786
Assuming issuance of new Shares pursuant to the exercise of outstanding ESOS options	-	-	35,000,000	(b)4,564
Enlarged share capital assuming issuance of new Shares pursuant to the exercise of outstanding Warrants and ESOS	**448,753,504**	**37,542**	**666,730,304**	**151,892**
Consideration Shares to be issued pursuant to the Proposed Acquisition	51,000,000	(c)5,100	51,000,000	(c)5,100
Enlarged share capital after the Proposed Acquisition	**499,753,504**	**42,642**	**717,730,304**	**156,992**

Notes:-

(a) Assuming full exercise of 182,976,800 outstanding Warrants at the exercise price of RM0.60 per Warrant.

(b) Assuming full exercise of 35,000,000 outstanding ESOS options at the exercise price of RM0.0740 per ESOS option and each ESOS option carries a fair value of RM0.0564 each.

(c) Computed based on 51,000,000 Consideration Shares to be issued at the Issue Price of RM0.10 per Consideration Share.

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8.2 NA, NA per Share and gearing

The proforma effect of the Proposed Acquisition on the NA, NA per share and gearing of Artroniq Group based on its latest audited consolidated financial statements for the 18-month FPE 31 December 2024 and AISB's latest audited financial statements for the FYE 31 March 2025 is as follows:-

Minimum Scenario

		(I)	(II)
	Audited as at 31 December 2024	**[a]Subsequent events**	**After (I) the Proposed Acquisition**
	RM'000	RM'000	RM'000
Share capital	109,723	37,542	[b]42,642
Discount on shares	(81,925)	(81,925)	(81,925)
Warrants reserve	81,925	81,925	81,925
ESOS options reserve	-	658	658
Accumulated gains/losses	(49,364)	24,788	[c]24,438
Equity attributable to the owners of the Company / NA	**60,359**	**62,988**	**67,738**
Non-controlling interest	961	961	[d]1,269
Total equity	**61,320**	**63,949**	**69,007**
Number of Shares in issue ('000)	407,958	448,754	499,754
NA per Share (RM)	0.15	0.14	0.14
Borrowings (including lease liabilities)	3,046	3,046	3,046
Gearing (times)	0.05	0.05	0.04

Maximum Scenario

		(I)	(II)	(III)
	Audited as at 31 December 2024	**[a]Subsequent events**	**[e]After (I) and assuming full exercise of the Warrants and ESOS**	**After (II) and the Proposed Acquisition**
	RM'000	RM'000	RM'000	RM'000
Share capital	109,723	37,542	151,892	[b]156,992
Discount on shares	(81,925)	(81,925)	-	-
Warrants reserve	81,925	81,925	-	-
ESOS options reserve	-	658	-	-
Accumulated gains/losses	(49,364)	24,788	23,472	[c]23,122
Equity attributable to the owners of the Company / NA	**60,359**	**62,988**	**175,364**	**180,114**
Non-controlling interest	961	961	961	[d]1,269
Total equity	**61,320**	**63,949**	**176,325**	**181,383**
Number of Shares in issue ('000)	407,958	448,754	666,730	717,730
NA per Share (RM)	0.15	0.14	0.26	0.25
Borrowings (including lease liabilities)	3,046	3,046	3,046	3,046
Gearing (times)	0.05	0.05	0.02	0.02

Notes:-

(a) After taking into consideration the following:

- the Company had on 7 July 2025 offered 35,000,000 ESOS options to the eligible employees with an exercise price of RM0.0740 each and fair value of RM0.0564 each and the ESOS options will be vested over 3 years period; and

- the Company had completed the private placement of Artroniq Shares as follows:

  (aa) 15,000,000 Artroniq Shares at RM0.0680 each on 12 February 2025;

  (bb) 15,000,000 Artroniq Shares at RM0.0689 each on 21 February 2025;

  (cc) 5,795,000 Artroniq Shares at RM0.0720 each on 6 March 2025; and

  (dd) 5,000,000 Artroniq Shares at RM0.0697 each on 13 March 2025.

- the Company had on 6 January 2026 completed a share capital reduction of RM75.0 million pursuant to Section 116 of the Act and incurred total expenses of approximately RM190,000.

(b) Computed based on 51,000,000 Consideration Shares to be issued at the Issue Price of RM0.10 per Consideration Share.

(c) After deducting the estimated expenses of RM350,000 in relation to the Proposals.

(d) After incorporating the 49.0% non-controlling interest in AISB upon completion of the Proposed Acquisition.

(e) Assuming the following:

- recognition of the expenses in relation to the vesting of the ESOS options (RM658,000 had been recognised up to LPD and remaining shall be charge out prior to the exercise of the ESOS Options) at fair value of RM0.0564 each;

- full exercise of 182,976,800 outstanding Warrants at the exercise price of RM0.60 per Warrant; and

- 35,000,000 outstanding ESOS options at the exercise price of RM0.0740 per ESOS option and carry a fair value of RM0.0564 each.

8.3 Earnings and EPS

The actual impact of the Proposed Acquisition on the consolidated earnings and EPS of Artroniq moving forward will depend on, amongst others, the market conditions and the successful integration of the operations of AISB into the Group. Nevertheless, the Proposed Acquisition is expected to be earnings accretive and contribute positively to the future earnings of the Group upon completion.

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The proforma effects of the Proposed Acquisition on the Group's earnings and EPS based on the audited consolidated financial statements for the 18-month FPE 31 December 2024 (assuming that the Proposed Acquisition had been completed at the beginning of the financial year) are as follows:-

	Audited as at 31 December 2024	After the Proposed Acquisition	
		Minimum Scenario	Maximum Scenario
	RM'000	RM'000	RM'000
LAT attributable to the owners of the Company	(31,388)	(31,388)	(31,388)
Add: Audited PAT of AISB for the FYE 31 March 2025	-	378	378
Less: Estimated expenses in relation to the Proposals	-	(350)	(350)
Proforma LAT	**(31,388)**	**(31,360)**	**(31,360)**
Number of Shares ('000)	407,958	[(a)]499,754	[(b)] 717,730
Loss per share (sen)	(0.08)	(0.06)	(0.04)

Notes:-

(a) After taking into consideration the subsequent events as stated in Section 8.2 of this Circular and issuance of 51,000,000 Consideration Shares at the Issue Price of RM0.10 per Consideration Share upon completion of the Proposed Acquisition.

(b) After taking into consideration the Minimum Scenario and the following:-

- full exercise of 182,976,800 outstanding Warrants at the exercise price of RM0.60 per Warrant; and
- full exercise of 35,000,000 outstanding ESOS options at the exercise price of RM0.0740 per ESOS option and carry a fair value of RM0.0564 each.

8.4 Substantial shareholders' shareholdings

As at LPD, the Company does not have any substantial shareholders. Pursuant to the Proposed Acquisition, the Encik Faris shall emerge as a substantial shareholder of the Company as follows:-

Minimum Scenario

	As at LPD				After the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	[(a)]%	No. of Shares	[(a)]%	No. of Shares	[(b)]%	No. of Shares	[(b)]%
Encik Faris	-	-	-	-	40,000,000	8.0	[(c)]11,000,000	2.2

Maximum Scenario

	As at LPD				(I) Assuming full exercise of Warrants and ESOS options			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	[(a)]%	No. of Shares	[(a)]%	No. of Shares	[(d)]%	No. of Shares	[(d)]%
Encik Faris	-	-	-	-	-	-	-	-

	(II) After (I) and the Proposed Acquisition			
	Direct		Indirect	
	No. of Shares	[(e)]%	No. of Shares	[(e)]%
Encik Faris	40,000,000	5.6	[(c)]11,000,000	1.5

Notes:-

(a) Based on 448,753,504 issued Shares as at LPD.

(b) Based on 499,753,504 issued Shares after the issuance and allotment of 51,000,000 Consideration Shares upon completion of the Proposed Acquisition (assuming none of the 182,976,800 outstanding Warrants and 35,000,000 outstanding ESOS options as at LPD are exercised into new Shares prior to the completion of the Proposed Acquisition).

(c) Deemed interest via his interest in AHSB.

(d) Based on 669,230,304 issued Shares assuming the following:

(i) full exercise of 182,976,800 outstanding Warrants at the exercise price of RM0.60 per Warrant; and

(ii) 35,000,000 outstanding ESOS options at the exercise price of RM0.0740 per ESOS option and carry a fair value of RM0.0564 each.

(e) Based on 717,730,304 issued Shares assuming the following:

(i) full exercise of 182,976,800 outstanding Warrants at the exercise price of RM0.60 per Warrant;

(ii) full exercise of 35,000,000 outstanding ESOS options at the exercise price of RM0.0740 per ESOS option; and

(iii) issuance and allotment of 51,000,000 Consideration Shares upon completion of the Proposed Acquisition.

Based on the above, AHSB and Encik Faris will not emerge as the controlling shareholder (i.e. more than 33.0% shareholdings) of Artroniq upon completion of the Proposed Acquisition, and as such will not give rise to any consequences of mandatory general offer obligations pursuant to the Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia.

As at LPD, Artroniq does not have a controlling shareholder. Whilst Encik Faris may emerge as the single largest shareholder pursuant to the Proposed Acquisition, the Proposed Acquisition will not result in a change in at least:

(i) one-third of the membership of the board of directors of Artroniq; and/or

(ii) one-third of the key senior management of Artroniq;

within a period commencing – (i) from the date of announcement of the Proposed Acquisition until 12 months after the date of completion of the Proposed Acquisition; or (ii) from 12 months prior to the date of announcement of the Proposed Acquisition until 12 months after the date of completion of the Proposed Acquisition, if Encik Faris and/or any person connected to the Vendors is appointed as a director and/or key senior management of Artroniq. Hence, there will be no change in the effective control of Artroniq upon completion of the Proposed Acquisition.

For information, the Company does not intend to appoint Encik Faris as a Director of Artroniq upon completion of the Proposed Acquisition.

For information, the existing Directors and/or substantial shareholders of Artroniq are not persons connected to any of the existing Director and/or shareholders of AISB.

8.5 Public shareholding spread

The proforma effects of the Proposed Acquisition on the public shareholding spread based on Artroniq's record of depositors as at LPD is as follows:-

	Number of Shares held by Public	**%**
As at LPD	444,773,501	[(a)]99.1
After the Proposed Acquisition (Minimum Scenario)	444,773,501	[(b)]89.0
After the Proposed Acquisition (Maximum Scenario)	642,735,299	[(c)]89.6

Notes:-

(a) Based on 448,753,504 issued Shares as at LPD.

(b) Based on enlarged 499,753,504 issued Shares after the issuance and allotment of 51,000,000 Consideration Shares pursuant to the Proposed Acquisition (assuming none of the 182,976,800 outstanding Warrants and 35,000,000 outstanding ESOS options as at LPD are exercised into new Shares prior to the completion of the Proposed Acquisition).

(c) Based on enlarged 717,730,304 issued Shares assuming the following:

- full exercise of 182,976,800 outstanding Warrants at the exercise price of RM0.60 per Warrant;

- full exercise of 35,000,000 outstanding ESOS options at the exercise price of RM0.0740 per ESOS option; and

- issuance and allotment of 51,000,000 Consideration Shares pursuant to the Proposed Acquisition.

8.6 Convertible securities

As at LPD, save for the 182,976,800 outstanding Warrants and 35,000,000 outstanding ESOS options, the Company does not have any existing convertible securities. For the avoidance of doubt, the Proposed Acquisition will not result in any adjustments to the exercise price of the Warrants and ESOS options.

9. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Artroniq Shares as traded on Bursa Securities for the past 12 months from April 2025 to March 2026 are as follows:

	High	Low
	RM	RM
2025		
April	0.0800	0.0650
May	0.0950	0.0700
June	0.0900	0.0800
July	0.0900	0.0800
August	0.0900	0.0800
September	0.0900	0.0800
October	0.1050	0.0800
November	0.1450	0.0900
December	0.1700	0.1150
2026		
January	0.1500	0.1200
February	0.1700	0.1350
March	0.1500	0.1300
The last transacted market price of Artroniq Shares as at LTD		0.1245
The last transacted market price of Artroniq Shares as at LPD		0.1400

(Source: Bloomberg)

10. APPROVALS REQUIRED AND CONDITIONALITY

The Proposals are subject to the following approvals being obtained:-

(i) the approval of Bursa Securities for the listing and quotation of 51,000,000 Consideration Shares to be issued pursuant to the Proposed Acquisition, on the ACE Market of Bursa Securities;

The approval of Bursa Securities for the above had been obtained vide its letter dated 2 April 2026, subject to the following conditions:-

No.	Conditions	Status of Compliance
1.	Artroniq and Malacca Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Acquisition;	To be complied.
2.	Artroniq to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders in a general meeting approving the Proposals;	To be complied.

No.	Conditions	Status of Compliance
3.	Artroniq and Malacca Securities to inform Bursa Securities upon the completion of the Proposals;	To be complied.
4.	Artroniq to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed; and	To be complied.
5.	Compliance by Artroniq with the public security holding spread upon completion of the Proposed Acquisition. In this connection, Malacca Securities is to furnish a schedule containing the information set out in Appendix 8E, Chapter 8 of the Listing Requirements to Bursa Securities, prior to the allotment and issuance of the Consideration Shares.	To be complied.

(ii) the approval of the shareholders of the Company for the Proposals at the Company's forthcoming EGM.

For information, in accordance with Section 85 of the Act and Clause 10 of the Constitution of the Company, the shareholders of the Company have pre-emptive rights to be offered the new Shares to be issued pursuant to the Proposed Acquisition. In the event the resolution for the Proposed Acquisition is approved by shareholders of the Company at the Company's forthcoming EGM, the shareholders of the Company will be waiving their pre-emptive rights under Section 85 of the Act and Clause 10 of the Constitution of the Company, and thus the shareholders' percentage shareholdings in the Company will be correspondingly diluted upon completion of the Proposed Acquisition; and

(iii) the approval of any other relevant authorities and/or parties, if any.

The Proposed Acquisition and the Proposed Diversification are inter-conditional upon each other.

Save for the aforementioned, the Proposals are not conditional upon any other corporate exercises/schemes or proposals undertaken or to be undertaken by Artroniq.

11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED

None of the Directors, chief executive, major shareholders of the Company and/or any persons connected with them have any direct or indirect interest in relation to the Proposals.

12. HIGHEST PERCENTAGE RATIO FOR THE PROPOSED ACQUISITION

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Rule 10.02(g) of the Listing Requirements is approximately 11.36%, computed based on 51,000,000 Consideration Shares to be issued pursuant to the Proposed Acquisition over 448,753,504 issued Shares as at LPD.

13. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposals, including but not limited to the terms and conditions of the SSA, rationale, financial effects, basis and justification in arriving at the Purchase Consideration, and risk factors of the Proposals, is of the opinion that the Proposals are in the best interest of the Company.

Accordingly, the Board recommends the shareholders of Artroniq vote in favour of the resolutions pertaining to the Proposals to be tabled at the Company's forthcoming EGM.

14. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

As at LPD, save for the Proposals, there are no other intended corporate exercises/schemes which have been announced but yet to be completed by the Artroniq Group prior to the printing of this Circular.

15. ESTIMATED TIMEFRAME FOR IMPLEMENTATION/COMPLETION

Barring any unforeseen circumstances and subject to the approvals of the relevant authorities and shareholders being obtained and conditions precedent of the SSA being met, the Proposed Acquisition is expected to be completed in the 2nd quarter of the calendar year 2026 and the Proposed Diversification will take effect immediately upon obtaining the approval of Artroniq's shareholders at the Company's forthcoming EGM.

The tentative timeline for the Proposals is as follows:

Tentative timeline	Key milestones
23 April 2026	• EGM • Proposed Diversification takes effect
Mid-May 2026	• Fulfilment of all conditions precedent of the SSA • Completion of the Proposed Acquisition • Listing and quotation of the Consideration Shares • Effective of the Shareholders' Agreement

16. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at SVOFO@Hall 1, Nexis Offices 3rd Floor, Block C, Sunway Nexis, No.1 Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor, Malaysia on Thursday, 23 April 2026 at 11.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions to give effect to the Proposals.

If the shareholders are unable to attend, participate and vote in person at the EGM, please complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained, to be deposited at the Company's Share Registrar, Aldpro Corporate Services Sdn Bhd's office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur, not less than 48 hours before the time set for holding the EGM. The lodging of the Form of Proxy will not preclude the shareholders from attending the voting in person at the EGM should he/she subsequently wish to do so.

17. FURTHER INFORMATION

Shareholders are advised to refer to the appendices sets out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board
ARTRONIQ BERHAD

LEE KAI SHENG
Executive Director

The salient terms of the SSA are as follows:

1. Sale and Purchase of Sale Shares

The Vendors shall sell the Sale Shares in the proportions as set out in the SSA and Artroniq (as the purchaser) shall purchase the Sale Shares free from all claims, charges, liens, encumbrances and equities whatsoever together with all rights attached thereto and all dividends, rights and distributions declared paid or made in respect thereof as from the Completion Date, upon the terms and subject to the conditions set forth in the SSA.

2. Conditions Precedent

(i) The sale and purchase of the Sale Shares shall be conditional upon the fulfillment of the following conditions within 6 months from the date of the SSA or such other period as the parties may mutually agree in writing:-

a) Artroniq obtaining the approval of its shareholders in a general meeting for the issuance of the Consideration Shares;

b) Artroniq obtaining the approval of Bursa Securities for the listing and quotation of the Consideration Shares;

c) Completion of the legal due diligence to be conducted on AISB of which result being satisfactory to Artroniq in its sole and absolute discretion;

d) The execution of the service contract between by Encik Faris and Mr Lor ("**Key Management Personnel**") with AISB for the Profit Guarantee Period i.e. 1 April 2026 to 31 March 2029;

e) The receipt by AISB of the waiver letters by Encik Faris and Sterling Equity Sdn Bhd waiving all their rights to claim for the shareholders advances from AISB;

f) if applicable, the Vendors obtaining the consents and approvals of the banks and financial institutions to which AISB has banking facilities for the purpose of the transfer of the Sale Shares contemplated in the SSA; and

g) if applicable, the parties obtaining such other requisite consents and approvals from the government and regulatory bodies for the purpose of the transfer of the Sale Shares contemplated in the SSA.

(ii) Any of the Conditions Precedent capable of being waived may be waived in whole or in part and conditionally or unconditionally upon the mutual agreement of the parties in writing.

(iii) In the event that the Conditions Precedent are not fulfilled within the period stipulated in **Section 2(i)** of this Appendix I, the SSA shall be null and void and of no further force and effect with neither party having any rights and obligations against the other save and except for any antecedent breaches.

(iv) The SSA shall become unconditional on the date of which the last of the Conditions Precedent is fulfilled.

3. Purchase Consideration

(i) In consideration for the Sale Shares, Artroniq agrees to pay the Vendors the Purchase Consideration of RM5,100,000.00.

(ii) The Purchase Consideration was arrived at on a "willing-buyer willing-seller" basis.

(iii) Subject to **Section 3(iv)** and **Section 4(ii)** of this Appendix I, the Purchase Consideration shall be satisfied by Artroniq to the Vendors on the Completion Date with the allotment and issuance by Artroniq of 51,000,000 of the Consideration Shares at the Issue Price of RM0.10 per Consideration Share to the Vendors.

(iv) The parties further agree that of the total of the Consideration Shares to be allotted and issued by Artroniq pursuant to **Section 3(iii)** of this Appendix I, 6,000,000 of the Consideration Shares shall be released to the Vendors on the Completion Date whereas the remaining 45,000,000 of the Consideration Shares shall be deposited with the Stakeholder as security for the Profit Guarantees and to be dealt with in accordance with **Section 5(ii)** of this Appendix I. For the purpose of the SSA, the allotment and issuance of all the Retention Shares by Artroniq to the Stakeholder shall be deemed satisfaction of part of the Purchase Consideration in the amount of RM4,500,000.00.

(v) The Consideration Shares shall, upon issuance and allotment, rank equally in all respects with the existing Artroniq's ordinary shares, save and except that the Consideration Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid for which the entitlement date precedes the date of issuance and allotment of the said Consideration Shares.

4. Completion

(i) On the Completion Date, simultaneously with the payment of the Purchase Consideration by Artroniq in accordance with **Section 3(iii)** of this Appendix I, the Vendors shall complete the transfer of the Sale Shares at a place to be mutually agreed by the parties, failing which, it shall be held at the office of Artroniq by the delivery of:

(a) the original share certificates of the Sale Shares;

(b) the valid and registerable memoranda of transfer of the Sale Shares duly executed by the Vendors in favour of Artroniq together with the relevant stamping proforma;

(c) the resolution of the directors of AISB approving the transfer of the Sale Shares in favour of Artroniq;

(d) for Vendors who are corporate entities, the resolution of the directors of the Vendors approving their respective sale of the Sale Shares to Artroniq; and

(e) such waivers, consents or other documents as may be required to give a good title to the Sale Shares and to enable Artroniq or its nominee(s) to become the registered owner(s) of the Sale Shares.

(ii) The Vendors hereby authorise Artroniq to deposit all their Retention Shares with the Stakeholder whereby the Retention Shares shall be placed in an escrow account which will be maintained by the Stakeholder on behalf of the Vendors. The Retention Shares are to be held by the Stakeholder as security for the Profit Guarantees and shall be dealt with in accordance with **Section 5(ii)** of this Appendix I.

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5. Profit Guarantees

(i) The Vendors guarantee to Artroniq that AISB shall attain and achieve the minimum PAT for its financial year ending 31 March 2027, 31 March 2028 and 31 March 2029 as follows:

Profit Guarantee Period		Guaranteed PAT
1 April 2026 to 31 March 2027	:	RM1,000,000.00
1 April 2027 to 31 March 2028	:	RM1,500,000.00
1 April 2028 to 31 March 2029	:	RM2,000,000.00

(ii) The parties agree that the following shall ensue:

First Profit Guarantee Period

Upon the expiry of the First Profit Guarantee Period:

(a) Where AISB achieves part/all of the Guaranteed PAT for the First Profit Guarantee Period i.e. RM1,000,000.00, Artroniq shall instruct the Stakeholder to release and transfer to the Vendors, such number of Retention Shares with the value equivalent to the PAT achieved by AISB subject to the maximum value of RM1,000,000.00.

(b) For the purpose of determining the number of Retention Shares to be released, each Retention Shares will be valued at RM0.10.

(c) No Retention Shares shall be released and transferred to the Vendors in the event AISB does not achieve a PAT for the First Profit Guarantee Period.

Second Profit Guarantee Period

Upon the expiry of the Second Profit Guarantee Period:

(a) Where AISB achieves part/all of the Guaranteed PAT for the Second Profit Guarantee Period of RM1,500,000.00, Artroniq shall instruct the Stakeholder to release and transfer to the Vendors, such number of Retention Shares with the value equivalent to the PAT achieved by AISB subject to the maximum value of RM1,500,000.00.

(b) For the purpose of determining the number of Retention Shares to be released, each Retention Shares will be valued at RM0.10.

(c) No Retention Shares shall be released and transferred to the Vendors in the event AISB does not achieve a PAT for the Second Profit Guarantee Period.

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Third Profit Guarantee Period

Upon the expiry of the Third Profit Guarantee Period:

(a) Where AISB achieves a cumulative PAT for the entire Profit Guarantee Period of RM4,500,000.00 or more, Artroniq shall instruct the Stakeholder to release and transfer to the Vendors, the balance Retention Shares held by the Stakeholder at that point in time.

(b) Where AISB achieves a cumulative PAT for the entire Profit Guarantee Period of less than RM4,500,000.00, Artroniq shall instruct the Stakeholder to release and transfer to the Vendors, such number of Retention Shares with the value equivalent to the cumulative PAT for the entire Profit Guarantee Period less such number of Retention Shares which had been released and transferred by the Stakeholder to the Vendors for the First Profit Guarantee Period and the Second Profit Guarantee Period, if any.

(c) Where AISB records a LAT for the entire Profit Guarantee Period, no further Retention Shares shall be released and transferred to the Vendors.

(d) For the purpose of determining the cumulative PAT for the entire Profit Guarantee Period, all LAT and/or PAT for the First Profit Guarantee Period and Second Profit Guarantee Period shall be carried forward and aggregated with the LAT or PAT of the Third Profit Guarantee Period.

(e) For the purpose of determining the number of Retention Shares to be released, each Retention Shares will be valued at RM0.10.

(f) Any Retention Shares held by the Stakeholder on behalf of the Vendors, after the release and transfer of the Retention Shares to the Vendors pursuant to the Third Profit Guarantee Period (if any) shall be forfeited by Artroniq as payment for the shortfall of the Profit Guarantees. Thereafter, all such forfeited Retention Shares shall be disposed by the Stakeholder (under the instruction of Artroniq) and such proceeds shall be returned to Artroniq.

(g) For avoidance of doubt, Artroniq shall have no claim against all Retention Shares released and transferred to the Vendors pursuant to the First Profit Guarantee Period and Second Profit Guarantee Period, notwithstanding that the cumulative PAT for the entire Profit Guarantee Period may be lower than the value of Retention Shares released.

(iii) The provision of this **Section 5** shall cease to operate in the event the Key Management Personnel are prohibited by Artroniq from carrying out their duties pursuant to the service contracts or the service contracts are terminated prematurely. In such an event any remaining Retention Shares held by the Stakeholder shall be released to the Vendors immediately and the Profit Guarantee shall be terminated with immediate effect. For the avoidance of doubt, this **Section 5(iii)** shall not apply where the appointee under the service contracts are found to have:

(a) committed fraud or dishonesty against AISB;

(b) breached the terms and conditions of the service contracts;

(c) been absent for work for a continuous period of 7 days, (approved leave of absence by AISB excluded);

(d) committed sexual harassment against other employees of AISB;

(e) committed any acts of violence at work; and

(f) committed any acts which will prevent him from carrying out his duties under the service contracts.

6. Default and Termination

(i) In the event that any party shall:

(a) neglect or by wilful default fail or refuse or be unable to complete this transaction in accordance with the provisions in the SSA; or

(b) subject to **Section 6(iv)** of this Appendix I, materially breach any of the provisions of the SSA;

the party not in breach of the SSA ("**the Non Defaulting Party**") shall be entitled at its absolute discretion to elect either to:

(aa) give notice in writing to the party in default ("**Termination Notice**") and if the party in default fails to remedy the breach(es) within 14 business days of receipt of the Termination Notice**,** the Non Defaulting Party may without further reference to the party in default terminate the SSA, in which event the provisions as prescribed in **Section 6(ii)** and **Section 6(iii)** of this Appendix I shall apply and thereafter the SSA shall be null and void and the parties shall have no further claims against each other save and except for any antecedent breaches; or alternatively

(bb) complete the SSA, in which case the remedy of specific performance of the SSA under the Specific Relief Act, 1950 shall be available to the Non Defaulting Party without any prejudice to that party's right or rights to claim against the party in default any damages, losses, costs, expenses or outgoings whatsoever arising from or in connection with the events of **Section 6(i)(a)** and/or **Section 6(i)(b)** of this Appendix I.

(ii) In the event that the SSA is terminated in accordance with **Section 6(i)(aa)** of this Appendix I, the party in default shall, within 14 business days from the date after the expiration of the Termination Notice, pay to the Non Defaulting Party all the professional fees, disbursements and expenses incurred and paid or payable by the Non Defaulting Party in relation to or in connection with the SSA as evidenced by invoices and receipts. In the event that the party in default fails to pay any of the aforesaid monies within the said 14 business day period, then the party in default shall be further liable to pay interest on any amount remaining unpaid at the end of the said 14 business day period at the rate of 8% per annum from the end of the said 14 business day period until the date of actual payment of the outstanding amount. For information, the Profit Guarantee will be terminated immediately in the event that the SSA is terminated.

(iii) Simultaneously with the events of **Section 6(ii)** of this Appendix I, Artroniq shall return all documents and things forwarded by the Vendors in relation to the SSA, save and except where Artroniq requires the same for application for refund of any stamp duty paid pursuant hereto, in which case the documents and things shall be returned as soon as reasonably possible.

(iv) Notwithstanding any other provision to the contrary herein contained, in the event the sale and purchase transaction contemplated herein has been completed in accordance with the terms and conditions herein contained, the parties shall not be entitled to terminate the SSA by reason of any breach of any of the terms of the SSA but without prejudice to any other remedies which the parties may have against each other.

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7. Governing Law

The SSA shall be governed by and construed in accordance with the laws of Malaysia and the parties agree to submit to the exclusive jurisdiction of the courts of Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of this instrument and the service of any writ or summons or any legal process in respect of any action or proceedings may be effected on AISB by forwarding a copy of the writ of summons, statement of claim or other legal process by registered post to its address as indicated herein.

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The salient terms of the Shareholders' Agreement are as follows:

1. Agreement and Shareholding Structure

(i) Artroniq and AHSB ("**Shareholders of AISB**") have agreed to enter into the Shareholders' Agreement to set out the terms governing their relationship and obligations as the Shareholders of AISB upon completion of the SSA as well as for the purpose of regulating the aspects of the affairs and dealings of AISB and the business. Each party shall act in good faith towards the other in order to promote AISB's success.

(ii) Upon completion of the SSA, the Shareholders of AISB will be as follows:

(a) Artroniq holding 102,000 ordinary shares representing 51.0%; and

(b) AHSB holding 98,000 ordinary shares representing 49.0%.

2. Conditions Precedent and Duration of Agreement

(i) Notwithstanding anything expressed or implied in the Shareholders' Agreement to the contrary, the provisions of the Shareholders' Agreement are subject to the completion of the SSA within the period of 7 months from the date of the Shareholders' Agreement or such other extended period as may be mutually agreed by the Shareholders of AISB in writing ("**Stipulated Period**").

(ii) In the event that the condition precedent set out in **Section 2(i)** of this Appendix II are not achieved or obtained within the Stipulated Period and no extension of the Stipulated Period has been agreed between the Shareholders of AISB, the Shareholders' Agreement shall cease to have any effect and shall be deemed terminated and none of the Shareholders of AISB shall have any claim whatsoever against each other save and except for any antecedent breach. The Shareholders' Agreement shall take effect on the date on which the condition precedent under **Section 2(i)** of this Appendix II is fulfilled ("**Effective Date**") and shall continue in full force and effect until AISB shall be wound up or otherwise cease to exist as a separate corporate entity or unless terminated earlier pursuant to **Section 8** of this Appendix II.

3. AISB and Shareholdings

(i) Upon the Effective Date, the shareholdings of AISB shall be as follows:

Shareholder	Number of Shares held in AISB	Percentage of Shareholdings in AISB
Artroniq	102,000	51.0%
AHSB	98,000	49.0%
Total	**200,000**	**100.0%**

(ii) The Shareholders of AISB agree that the shareholdings and participation in the equity of AISB shall, upon the Effective Date and for 3 years thereafter (**"Moratorium Period"**), be held and maintained by the Shareholders of AISB in the proportions as set out in **Section 3(i)** of this Appendix II and no Shareholders of AISB's shareholdings shall be diluted within the Moratorium Period.

(iii) During the Moratorium Period, all new shares to be issued by AISB shall be offered to the Shareholders of AISB in proportion to their shareholdings as set out in **Section 3(i)** of this Appendix II. Upon the expiry of the Moratorium Period, all new AISB Shares to be issued by AISB shall be offered to the Shareholders of AISB in proportion to their shareholdings and in the event any of the Shareholders of AISB declines to take up any such new AISB Shares or part thereof, the other Shareholders of AISB shall be entitled to subscribe for the said AISB Shares, and as a result of which, the shareholdings of the Shareholders of AISB who had declined to contribute shall be reduced accordingly.

4. Business of AISB

(i) AISB's business shall, unless otherwise unanimously agreed by the Shareholders of AISB, be focused on software development, cloud computing, technology consultancy, AI and enterprise solutions and shall be carried out in accordance with all applicable laws and requirements.

(ii) The business of AISB is to be conducted in the Shareholders of AISB's and AISB's best interests on sound commercial profit-making principles so as to generate the maximum achievable maintainable profits available for distribution, and otherwise in accordance with the general principles as varied from time to time by agreement in writing between AISB.

(iii) AHSB's responsibilities includes the procurement of the service of Encik Faris to manage AISB in the best possible efficient manner. For this purpose, AHSB shall as soon as reasonably possible upon the Effective Date, procure Encik Faris to enter into a service contract with AISB whereby Encik Faris shall be offered the position of Chief Executive Officer (CEO) of AISB, upon terms and conditions to be agreed by him and AISB.

5. Board of Directors

(i) The Business and affairs of AISB shall be managed by the board of AISB. The board shall consist of 3 directors of which:

(a) Artroniq shall be entitled to appoint and maintain in office 2 directors and to remove any director of AISB so appointed from office and to appoint another in the place of any director of AISB so removed; and

(b) AHSB shall be entitled to appoint and maintain in office 1 director and to remove any director of AISB so appointed from office and to appoint another in the place of any director of AISB so removed.

6. Restriction on Transfer of Shares

(i) The Shareholders of AISB agree that each shall not sell, transfer or otherwise part with its beneficial ownership of any AISB Shares during the Moratorium Period unless with the written consent of the other shareholder of AISB. Consent shall not unreasonably be withheld for a transfer by a shareholder of AISB to a member of its own group. Each of the shareholder of AISB shall respectively undertake to procure that, if any member of its group which holds shares in AISB ceases at any time to be a wholly-owned subsidiary of that shareholder of AISB, that subsidiary shall first transfer beneficially all its shares in AISB back to the relevant shareholder of AISB (or another member of its group).

(ii) The Shareholders of AISB agree that after the Moratorium Period, each shall not sell, transfer or otherwise part with its beneficial ownership of any AISB Shares without first ("**Selling Party**") making an offer in writing to sell (the "**Offer**") the same to the other Party (the "**Continuing Party**") and such offer in writing shall specify the price per share. The Offer shall remain open for acceptance for a period of 30 days from the date such written offer is received by the Continuing Party ("**the Offer Period**") and any AISB Shares not accepted within the Offer Period will be deemed to have been declined.

(iii) If any of the AISB Shares initially offered by the Selling Party have been accepted by the Continuing Party within the relevant Offer Period, the Selling Party shall be bound to sell the AISB Shares so offered.

(iv) Notwithstanding the terms and conditions which the Selling Party may have set out in its written offer, the completion of the sale and purchase of the AISB Shares to the Continuing Party shall take place not less than 30 days from the date of the acceptance, unless otherwise mutually agreed by the Parties.

(v) If and only if the Selling Party has complied with **Section 6(ii)** of this Appendix II and all or certain AISB Shares offered remain unaccepted ("**the Unaccepted Shares**") by the Continuing Party, the Selling Party shall be entitled, within a period of 30 days from the decline by the Continuing Party, to offer and complete the sale of the Unaccepted Shares to a third party ("**Third Party Purchaser**"), at a price and upon terms and conditions not more favourable than those offered to the Continuing Party. Subject to **Section 6(vi)**of this Appendix II, the parties shall procure that the relevant transfer or transfers to the Third Party Purchaser shall be duly registered by AISB.

(vi) Notwithstanding anything appearing herein or in the Constitution, no transfer of any AISB Shares to a Third Party Purchaser shall be registered unless the Third Party Purchaser shall first have entered into an agreement with the Continuing Party pursuant to which the Third Party Purchaser covenants and agrees (i) to be bound by the terms of the Shareholders' Agreement and (ii) assume all the outstanding obligations of the Shareholders of AISB whose AISB Shares are to be transferred to the Third Party Purchaser.

(vii) AISB shall not permit or register any transfer of shares other than in accordance with the terms and conditions of the Shareholders' Agreement.

7. Tag Along Right

(i) If the Selling Party makes the Offer pursuant to **Section 6(ii)** of this Appendix II, and the Continuing Party does not accept the Offer, and a Third Party Purchaser wishes to purchase the Unaccepted Shares from the Selling Party, the Continuing Party shall have the right (but not the obligation), exercisable upon a written notice given to the Selling Party and to AISB, to elect to participate in such sale to the Third Party Purchaser by requiring the Selling Party to procure the Third Party Purchaser to purchase any or all of the Continuing Party's Shares on the same terms and conditions offered by the Selling Party to the Third Party Purchaser.

(ii) The Selling Party shall use reasonable endeavours (but without involving any financial obligation on its part) to procure that the Third Party Purchaser offers to purchase in addition to the number of AISB Shares the Third Party Purchaser is purchasing from the Selling Party, any or all of the Continuing Party's AISB Shares.

(iii) If the Third Party Purchaser does not offer to purchase any or all of the Continuing Party's AISB Shares, the Selling Party shall not be allowed to sell its AISB Shares to the Third Party Purchaser.

(iv) The Continuing Party shall effect its participation in the sale by delivering to the Selling Party at or before closing of the sale of the AISB Shares by the Selling Party one or more certificates, properly endorsed for transfer to the Third Party Purchaser, which represent the AISB Shares which the Continuing Party is entitled to sell under this **Section 7** of this Appendix II.

8. Termination

(i) Except as otherwise provided herein, the Shareholders' Agreement shall continue in full force and effect until the earlier of the following events:

(a) the parties agree in writing to terminate the Shareholders' Agreement;

(b) in relation to any one party, upon that party ceasing to hold any AISB Shares, whether in accordance with **Section 6** of this Appendix II or following the occurrence of an event of default as set out in **Section 8(ii)** of this Appendix II ("**Event of Default**"). If a Party no longer holds shares in AISB, then that party ceases to be a party to the Shareholders' Agreement and all of its rights and obligations and all entitlements and requirements relating to it under the Shareholders' Agreement will cease save for any liabilities or obligations in respect of any breach occurring prior to the effective date of such cessation or arising out of or in respect of or in connection with the Shareholders' Agreement at any time up to and including the date of the transfer of the AISB Shares.

(ii) An Event of Default shall be deemed to have occurred if in relation any party (**"the Defaulting Party**"):

(a) the Defaulting Party breaches any part of the Shareholders' Agreement and fails to remedy the same within 30 days from the service of any written notice by the other party ("**the Non-defaulting Parties**") complaining of such breach;

(b) the Defaulting Party enters into any composition or arrangement with its creditors generally, or a petition, either within or outside Malaysia, under any insolvency laws is filed against the Defaulting Party; and

(c) an encumbrancer lawfully takes possession of any part of the property or assets of the Defaulting Party.

(iii) Upon the occurrence of an Event of Default, the Non-defaulting Party shall be entitled (but shall not be obliged) at their absolute discretion, by written notice served on the Defaulting Party:

(a) to require the Defaulting Party to purchase all but not part only of the AISB Shares held by the Non-defaulting Party at the fair value of such AISB Shares as determined by AISB's auditors or such other accounting experts (acting as experts and not as arbitrators) ("**Fair Value**"); or

(b) to require the Defaulting Party to sell to the Non-defaulting Party all the AISB Shares held by the Defaulting Party at the Fair Value of such AISB Shares, failing which the Defaulting Party shall be deemed to have made an irrevocable offer of the same upon its receipt of the aforesaid written notice from the Non-defaulting Party; or

(c) to require the Defaulting Party to perform its obligation, in which case the remedy of specific performance of the Shareholders' Agreement shall be available to the Non-defaulting Party; or

(d) to require that AISB be wound up in which event the parties shall forthwith do all acts and things necessary to wind up AISB in accordance with all applicable laws and the Constitution.

9. Governing laws

The Shareholders' Agreement shall be governed by and construed in accordance with the laws of Malaysia.

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1. HISTORY AND BUSINESS

AISB was incorporated under the name of Sterling Technologies Sdn Bhd in Malaysia on 29 June 2022 as a private limited company under the Act and had on 19 December 2023 adopted its present name. The registered office of AISB is at Suite 13.03, 13th Floor, Menara Tan & Tan, 207, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan.

AISB commenced its business since June 2022 and is principally involved in software development, cloud computing, technology consultancy, AI and enterprise solutions. Its principal place of business is located at 7th Floor, Bangunan Sterling Group, No. 21, Jalan PJU 7/7, Mutiara Damansara, 47800 Petaling Jaya, Selangor.

AISB is a comprehensive software development provider offering various ICT solutions to customers in different sectors i.e. education, fintech, agriculture and etc. The solutions include, amongst others, the following:-

(i) customisation of website and mobile platforms based on customers' requirements;

(ii) enterprise resource planning software which integrates and automates core business processes like finance, human resource, manufacturing, and supply chain into a single, unified platform particularly for small and medium enterprises; and

(iii) AI solutions which involve machine learning and natural language processing, to analyse data, recognise patterns, automate complex tasks, and make intelligent decisions, acting as smart tools to solve problems and improve work flow efficiency.

As part of the solutions, AISB also provides technology consultancy and professional training to assist clients in digital transformation, system modernisation, automation and the adoption of advanced technologies to improve operational efficiency, decision-making, and business performance. Revenue is primarily derived from one-time development fees, with recurring maintenance services typically charged on an annual basis.

For the past 3 FYEs 31 March 2023, 2024, 2025 and 7-month FPE 31 October 2025, AISB's revenue breakdown by segment is as follows:-

	Audited						Unaudited	
	FYE 31 March 2023		FYE 31 March 2024		FYE 31 March 2025		7-month FPE 31 October 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Software development services	444	100.0	1,325	100.0	2,618	100.0	1,592	71.5
Technology consulting services	-	-	-	-	-	-	635	28.5
	444	**100.0**	**1,325**	**100.0**	**2,618**	**100.0**	**2,227**	**100.0**

As at LPD, AISB services clients in Malaysia and the United Kingdom, across industries such as fintech, manufacturing, marketing, food and beverage, government and professional services. AISB's revenue breakdown by country for the past 3 FYEs 31 March 2023, 2024, 2025 and 7-month FPE 31 October 2025 is as follows:-

	Audited						Unaudited	
	FYE 31 March 2023		FYE 31 March 2024		FYE 31 March 2025		7-month FPE 31 October 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	444	100.0	1,325	100.0	2,408	92.0	2,074	93.1
United Kingdom	-	-	-	-	210	8.0	153	6.9
	444	**100.0**	**1,325**	**100.0**	**2,618**	**100.0**	**2,227**	**100.0**

As at LPD, AISB has a total of 16 employees, all of which are local employees in the following divisions:-

Division	Number of employees
Management (Encik Faris and Mr Lor)	2
Software developer (2 Associates, 1 Senior Associates and 1 Assistant Vice President)	4
Data science and AI (3 Associates)[(a)]	3
Finance (1 Associate and 1 Senior Associate)	2
Human resource (1 Senior Associate)	1
Business development (1 Associate and 2 Assistant Vice President)	3
User interface/User experience designer (1 Associate)	1
	16

Note:-

(a) The Data Science & AI team supports the technical AI components of our projects. Their responsibilities include advising on the adoption of the latest models and best practices within software development, as well as the continuous fine-tuning and upgrading required to maintain AI model performance.

As at LPD, AISB plans to hire additional staff comprising 2 software engineers, 1 business analyst, 1 enterprise resource planning consultant, 1 project manager, 1 finance assistant manager and 1 administrative staff in order for the development of in-house software as well as to cater for the order book secured and tenders/pitches to be secured. The said hiring is expected to be completed in phases in quarter 2 and quarter 3 of year 2026.

For information, AISB does not engage in any research and development activities. As such, there were no research and development expenditures incurred by AISB for the past 3 FYEs 31 March 2023, 2024, 2025 and 7-month FPE 31 October 2025.

2. SHARE CAPITAL

As at the LPD, AISB has an issued share capital of RM200,000 comprising 200,000 ordinary shares.

For information, AISB has 20 RSU which entitles the holder to convert the RSU into ordinary shares. Please refer to Section 2 of this Circular for further information.

3. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the LPD, the directors and substantial shareholders of AISB are as follows:

			Shareholdings as at LPD			
			Direct		Indirect	
Name	**Designation**	**Nationality / Country of incorporation**	**No. of AISB Shares**	**%**	**No. of AISB Shares**	**%**
Encik Faris	Director and shareholder	Malaysian	80,000	40.0	[(a)]120,000	60.0
Mr Lor	Director	Malaysian	-	-	-	-
Tan Sri Dato' Seri Che Lodin Bin Wok Kamaruddin	Director	Malaysian	-	-	-	-
AHSB	Shareholder	Malaysia	120,000	60.0	-	-
			200,000	**100.0**		

Note:-

(a) Deemed interest by virtue of his interest in AHSB.

4. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at LPD, AISB does not have any subsidiary or associate companies.

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5. ASSETS OWNED BY AISB

Based on the audited financial statements of AISB for the FYE 31 March 2025 and the latest unaudited financial statements for the 7-month FPE 31 October 2025, the total assets of AISB comprise the following:-

Type of assets	Audited net book value as at 31 March 2025	Unaudited net book value as at 31 October 2025
	RM'000	RM'000
Non-current assets		
Plant and equipment	46	46
Current assets		
Trade receivables	1,774	2,432
Other receivables	8	-
Amount owing by related parties	441	808
Cash and bank balances	501	1
	2,770	**3,287**

6. FINANCIAL INFORMATION

The summary of the historical financial performance and financial position of AISB based on the audited financial statements of AISB for the period from 29 June 2022 (being the date of incorporation) to 31 March 2023, FYE 31 March 2024 and FYE 31 March 2025 as well as the latest unaudited financial statements for the 7-month FPE 31 October 2024 and 2025 is as follows:-

	Audited			Unaudited	
	For the period from 29 June 2022 to 31 March 2023	FYE 31 March 2024	FYE 31 March 2025	7-month FPE 31 October 2024	7-month FPE 31 October 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	444	1,325	2,618	2,330	2,227
Profit before tax	64	227	445	1,503	517
PAT	53	192	378	1,503	517
Share capital	1	1	5	5	200
NA / Total equity	54	247	629	1,754	1,185
Total borrowings (includes hire purchase)	-	-	-	-	-
Current assets	357	1,526	2,725	3,305	3,241
Current liabilities	308	1,322	2,141	1,602	2,102
Number of ordinary shares ('000)	1	1	5	5	200
NA per share (RM)	54.00	247.00	126.80	350.80	5.93
EPS (RM)	53.00	192.00	75.60	300.60	2.59
Current ratio (times)	1.16	1.15	1.27	2.06	1.54
Gearing ratio (times)	-	-	-	-	-

Commentaries:-

FYE 31 March 2024 ("FYE 2024") compared to period from 29 June 2022 to 31 March 2023 ("FYE 2023")

AISB's revenue increased by RM0.9 million or 225.0% from RM0.4 million in FYE 2023 to RM1.3 million in FYE 2024 which was mainly due to the completion of a software development project with a value of RM0.5 million.

AISB's PAT increased by RM0.1 million or 100.0% from RM0.1 million in FYE 2023 to RM0.2 million in FYE 2024 which was mainly due to the increase in revenue as aforementioned and partially offset by the increase in operating expenses of RM0.7 million, which was attributable to higher staff costs due to increase in employees, which grew from an average of 4 employees in FYE 2023 to an average of 9 employees in FYE 2024 to support project delivery requirements.

FYE 31 March 2025 ("FYE 2025") compared to FYE 2024

AISB's revenue increased by RM1.3 million or 100.0% from RM1.3 million in FYE 2024 to RM2.6 million in FYE 2025 which was mainly due to completion of 2 software development projects which contributed revenue of RM1.0 million in FYE 2025.

AISB's PAT increased by RM0.2 million or 100.0% from RM0.2 million in FYE 2024 to RM0.4 million In FYE 2025 which was mainly due to the increase in revenue as aforementioned and partially offset by the increase in operating expenses of RM0.8 million, which was mainly attributable to higher staff costs due to increase in employees, which grew from an average of 9 employees in FYE 2024 to an average of 14 employees in FYE 2025.

7-month FPE 31 October 2025 ("FPE 2026") compared to 7-month FPE 31 October 2024 ("FPE 2025")

AISB's revenue in FPE 2026 is fairly consistent with FPE 2025.

AISB's PAT decreased by RM1.0 million or 66.7% from RM1.5 million in FPE 2025 to RM0.5 million in FPE 2026 which was mainly due to hiring of higher skilled staff i.e. AI engineers and User Experience/User Interface Designer.

<u>Accounting policies and accounting qualification</u>

For the past 3 FYEs 31 March 2023, 2024, 2025 under review:-

(i) there were no exceptional or extraordinary items;

(ii) there were no accounting policies adopted by AISB which are peculiar to AISB due to the nature of its business or the industry in which it is involved in; and

(iii) AISB's external auditors had not issued any audit qualification on its financial statements.

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7. MATERIAL CONTRACTS

Save as disclosed below, as at LPD, AISB has not entered into any material contracts (not being contract entered into in the ordinary course of business) within the past 2 years up to LPD:-

(a) **Tenancy Agreement**

On 2 February 2026, AISB has entered into a tenancy agreement with Famous Ritz Sdn Bhd to rent from Famous Ritz Sdn Bhd a business premise located at South Wing of Level 7, No 21, Bangunan Sterling Group, Jalan PJU 7 /7, Mutiara Damansara, 47800 Petaling Jaya, Selangor for a period of 2 years at a monthly rental of RM9,120.00 commencing from 1 March 2026 to 29 February 2028. The tenancy agreement may be extended by AISB for a further period of 2 years at a rate to be mutually agreed upon by the parties subject to maximum increase of not more than 10% on the preceding rental.

8. MATERIAL LITIGATION

As at LPD, there are no material litigations, claims or arbitrations involving the AISB and there are no any proceedings pending or threatened against the AISB.

9. MATERIAL COMMITMENTS

As at LPD, there is no material commitment incurred or known to be incurred by AISB, which may have a material impact on the profits and/or NA of AISB upon becoming enforceable.

10. CONTINGENT LIABILITIES

As at LPD, there are no contingent liabilities incurred or known to be incurred by AISB which may have a material impact on the profits and/or NA of AISB upon becoming enforceable.

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