

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(G) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 001-42551

SAGTEC GLOBAL LIMITED
(Exact name of Registrant as specified in its charter)

British Virgin Islands
(Jurisdiction of incorporation or organization)

**Lot 6-2, Level 9, Equatorial Plaza,
Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia**
(Address of principal executive offices)

Ng Chen Lok
+603-3310 0089
**Lot 6-2, Level 9, Equatorial Plaza,
Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia**
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A ordinary shares, no par value per share	SAGT	The Nasdaq Stock Market LLC Nasdaq Capital Market

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 17,650,000 Class A Ordinary Shares and 2,000,000 Class B Ordinary Shares issued and outstanding as of December 31, 2025.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐ Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☒ No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒
Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐

International Financial Reporting Standards as issued
by the International Accounting Standards Board ☒

Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).

☐ Yes ☒ No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

☐ Yes ☐ No

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INTRODUCTION

Throughout this annual report, unless the context indicates otherwise, references to “we,” “us,” “our,” “Sagtec Global,” “our Company,” and the “Company” are to Sagtec Global Limited, a British Virgin Islands business company, and when describing Sagtec’s consolidated financial information for the fiscal years December 31, 2025, 2024 and 2023, also include Sagtec’s subsidiaries.

“Memorandum and Articles of Association” means the memorandum and articles of association of our Company as amended and restated by the Company on 20 February, 2025, as further amended or amended and restated from time to time.

“Business Day” means a day (other than a Saturday, Sunday or public holiday in the U.S.) on which licensed banks in the U.S. are generally open for normal business to the public.

“BVI” means the British Virgin Islands.

“CAGR” means compound annual growth rate.

“CL Technologies” means CL Technologies (International) Sdn Bhd, a company incorporated in Malaysia on February 14, 2019, and a majority-owned subsidiary of our Company.

“Class A Ordinary Shares” means the Class A Ordinary Shares of no par value of the Company.

“Class B Ordinary Shares” means the Class B Ordinary Shares of no par value of the Company.

“Company,” “our Company,” “Sagtec Global,” or “Sagtec (BVI)” means SAGTEC GLOBAL LIMITED (BVI Company No. 2135152), an exempted company incorporated in the British Virgin Islands with limited liability on October 31, 2023, and a holding company for Sagtec Group and CL Technologies.

“Companies Act” means the means the BVI Business Companies Act, (Revised Edition) 2020 of the BVI.

“COVID-19” means the Coronavirus Disease 2019.

“Directors” means the directors of our Company as at the date of this annual report, unless otherwise stated.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

“Executive Directors” means the executive Directors of our Company as at the date of this annual report, unless otherwise stated.

“Executive Officers” means the executive officers of our Company as at the date of this annual report, unless otherwise stated.

“Group,” “our Group,” “we,” “us,” or “our” means our Company and its subsidiaries or any of them, or where the context so requires, in respect of the period before our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time or the businesses which have since been acquired or carried on by them or as the case may be their predecessors.

“Independent Directors” means the independent non-executive directors of our Company as at the date of this annual report, unless otherwise stated.

“Independent Third Party” means a person or company who or which is independent of and is not a 5% owner of, does not control and is not controlled by or under common control with any 5% owner and is not the spouse or descendant (by birth or adoption) of any 5% owner of the Company.

“MOM” means the Ministry of Manpower of Malaysia.

“Operating Subsidiaries” means CL Technologies and Sagtec Group.

“RM” or “MYR” or “Malaysian Ringgit” means Malaysian Ringgit(s), the lawful currency of Malaysia.

“Sagtec Group” means Sagtec Group Sdn Bhd, a company incorporated in Malaysia on June 11, 2018, and a majority-owned subsidiary of our Company. On May 27, 2019, Sagtec changed its name from Signage Alliance Group Sdn Bhd to Sagtec Group Sdn Bhd.

“SEC” or “Securities and Exchange Commission” means the United States Securities and Exchange Commission.

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Malaysia Companies Act” means the Companies Act 2016 of Malaysia, as amended, supplemented or modified from time to time.

“US\$,” or “USD” or “United States Dollars” means United States dollar(s), the lawful currency of the United States of America.

Sagtec Global is a holding company. Our business is conducted by our Operating Subsidiaries, in Malaysia using MYR. Our consolidated financial statements are presented in U.S. dollars. In this annual report, we refer to assets, obligations, commitments, and liabilities in our consolidated financial statements in U.S. dollars. These dollar references are based on the exchange rate of MYR to U.S. dollars, determined as of a specific date or for a specific period. Changes in the exchange rate will affect the amount of our obligations and the value of our assets in terms of U.S. dollars which may result in an increase or decrease in the amount of our obligations (expressed in dollars) and the value of our assets, including accounts receivable (expressed in dollars). This annual report contains translations of certain MYR amounts into U.S. dollar amounts at specified rates solely for the convenience of the reader. The following table outlines the currency exchange rates that were used in creating the consolidated financial statements in this report:

	For the Years Ended December 31,		
	2025	2024	2023
Year-end spot rate	4.0585	4.4704	4.5892
Average rate	4.2829	4.5748	4.5679

Certain market data and forecasts used throughout this annual report were obtained from market research, reports of governmental and international agencies and industry publications, gathered by the Company. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. We did not directly or indirectly sponsor or participate in the publication of such materials, and these materials are not incorporated in this annual report other than to the extent specifically cited in this annual report. We have sought to provide current information in this annual report and believe that the statistics provided in this annual report remain up-to-date and reliable, and these materials are not incorporated in this annual report other than to the extent specifically cited in this annual report.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements that reflect our current expectations and views of future events, all of which are subject to risks and uncertainties. Forward-looking statements give our current expectations or forecasts of future events. You can identify these statements by the fact that they do not relate strictly to historical or current facts. You can find many (but not all) of these statements by the use of words such as “approximates,” “believes,” “hopes,” “expects,” “anticipates,” “estimates,” “projects,” “intends,” “plans,” “will,” “would,” “should,” “could,” “may” or other similar expressions in this annual report. These statements are likely to address our growth strategy, financial results and product and development programs. You must carefully consider any such statements and should understand that many factors could cause actual results to differ from our forward-looking statements. These factors may include inaccurate assumptions and a broad variety of other risks and uncertainties, including some that are known and some that are not. No forward-looking statement can be guaranteed and actual future results may vary materially. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to:

- our goals and strategies;
- our future business development, financial condition and results of operations;
- introduction of new product and service offerings;
- expected changes in our revenues, costs or expenditures;
- our expectations regarding the demand for and market acceptance of our products and services;
- expected growth of our customers, including consolidated account customers;
- competition in our industry;
- government policies and regulations relating to our industry;
- other factors that may affect our financial condition, liquidity and results of operations; and
- other risk factors discussed under “Item 3. Key Information - 3.D. Risk Factors.”

We base our forward-looking statements on our management’s beliefs and assumptions based on information available to our management at the time the statements are made. We caution you that actual outcomes and results may, and are likely to, differ materially from what is expressed, implied or forecast by our forward-looking statements. Accordingly, you should be careful about relying on any forward-looking statements. Except as required under the federal securities laws, we do not have any intention or obligation to update publicly any forward-looking statements after the distribution of this annual report, whether as a result of new information, future events, changes in assumptions, or otherwise.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable for annual reports on Form 20-F.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable for annual reports on Form 20-F.

ITEM 3. KEY INFORMATION

OVERVIEW

Our Corporate Structure and Operations in Malaysia

We are incorporated in the British Virgin Islands pursuant to the BVI Business Companies Act (Revised Edition) 2020 of the British Virgin Islands. As a holding company with no operations, we conduct all of our operations through our majority owned subsidiaries in Malaysia. Investors in our Class A Ordinary Shares should be aware that they will not directly hold equity interests in our Malaysia subsidiaries, but rather only in Sagtec, the holding company.

We are a holding company and depend on the receipt of dividends and other distributions from our subsidiaries to pay dividends on our Class A Ordinary Shares. An equal share of any distribution is paid by the Company in accordance with the Act and the Company's Memorandum and Articles of Association in respect of the Class A Ordinary Shares and Class B Ordinary Shares. Our board of directors has discretion regarding whether to declare or pay dividends. All dividends are subject to certain restrictions under BVI law and the Company's Memorandum and Articles of Association, namely that: (a) all dividends must be authorized by board resolutions, by which our board of directors may authorise a distribution at any time and in any amount they think fit and set a record date (which may be before or after the date on which the board resolutions are passed) for determining the shareholders to be paid; (b) our board of directors may only authorize payment of a dividend if they are satisfied (on reasonable grounds) that the value of the Company's assets exceeds its liabilities and the Company is able to pay its debts as they fall due (the "Solvency Test") immediately paying the dividend; and (c) if, after a dividend is authorized (but before it is paid), our board of directors cease to be satisfied (on reasonable grounds) that the Company will be able to satisfy the Solvency Test after the dividend is paid, then such dividend is deemed not to have been authorized. A distribution made to a shareholder at a time when the Company did not, immediately after the distribution, satisfy the Solvency Test may be recovered by the Company from the member unless (a) the member received the distribution in good faith and without knowledge of the Company's failure to satisfy the Solvency Test; (b) the member has altered his or her position in reliance on the validity of the distribution; and (c) it would be unfair to require repayment in full or at all.

See "Item 3. Key Information - 3.D. Risk Factors - Risks Related to our Class A Ordinary Shares - *"As a company incorporated in the BVI, we are permitted to follow certain home country practices in relation to corporate governance matters in lieu of certain requirements under Nasdaq corporate governance listing rules. These practices may afford less protection to shareholders than they would enjoy if we complied fully with Nasdaq corporate governance listing standards."* "You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under British Virgin Islands law;" and "Certain judgments obtained against us or our auditor by our shareholders may not be enforceable" and "Item 8. Financial Information - A. Consolidated Statements and Other Financial Information - Dividend Policy."

Implications of Our Being a "Controlled Company"

We are a "controlled company" as defined under the Nasdaq Stock Market Listing Rules as Mr. Ng Chen Lok, our Chairman of the Board, Executive Director and Chief Executive Officer, holds 36.63% of our total issued and outstanding Class A Ordinary Shares and 100% of our total issued and outstanding Class B Ordinary Shares and is able to exercise 80.72% of the total voting power of our issued and outstanding shares. For so long as we remain a "controlled company," we are permitted to elect not to comply with certain corporate governance requirements. If we rely on these exemptions, you will not have the same protection afforded to shareholders of companies that are subject to these corporate governance requirements. While we presently plan to comply voluntarily with the corporate governance listing standards of the Nasdaq, we may choose to rely on the exemptions in the future.

Implications of Our Being an Emerging Growth Company

As a company with less than US\$1.235 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include:

- being permitted to provide only two financial years of selected financial information (rather than five years) and only two years of audited financial statements (rather than three years), in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure; and
- an exemption from compliance with the auditor attestation requirement of the Sarbanes-Oxley Act, on the effectiveness of our internal control over financial reporting.

We may take advantage of these reporting exemptions until we are no longer an emerging growth company. We will remain an emerging growth company until the earliest of (1) the last day of the fiscal year in which the fifth anniversary of the completion of this offering occurs, (2) the last day of the fiscal year in which we have total annual gross revenue of at least US\$1.235 billion, (3) the date on which we are deemed to be a “large accelerated filer” under the Exchange Act, which means the market value of our Class A Ordinary Shares that are held by non-affiliates exceeds US\$700.0 million as of the prior December 31, and (4) the date on which we have issued more than US\$1.0 billion in non-convertible debt during the prior three-year period. We may choose to take advantage of any of the available exemptions. We have included two years of selected financial data in this annual report in reliance on the first exemption described above. Accordingly, the information contained herein may be different from the information you receive from other public companies in which you hold stock.

Implications of Our Being a Foreign Private Issuer

We are subject to the Exchange Act as a non-U.S. company with foreign private issuer status. Even after we no longer qualify as an emerging growth company, as long as we qualify as a foreign private issuer under the Exchange Act, we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under the Exchange Act requiring the filing with the Securities and Exchange Commission, or the SEC, of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events.

Both foreign private issuers and emerging growth companies are also exempt from certain more stringent executive compensation disclosure rules. Thus, even if we no longer qualify as an emerging growth company but remain a foreign private issuer, we will continue to be exempt from the more stringent compensation disclosures required of companies that are neither emerging growth companies nor foreign private issuers.

In addition, as a company incorporated in the British Virgin Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the corporate governance listing requirements of the Nasdaq. These practices may afford less protection to shareholders than they would enjoy if we complied fully with corporate governance listing requirements of the Nasdaq. We may rely on home country practice to be exempted from certain of the corporate governance requirements of the Nasdaq, namely (i) a majority of the Directors on our Board are not required to be independent Directors; (ii) there will not be a necessity to have regularly scheduled executive sessions with independent Directors; and (iii) there will be no requirement for the Company to obtain shareholder approval prior to an issuance of securities in connection with (a) the acquisition of stock or assets of another company; (b) equity-based compensation of officers, directors, employees or consultants; (c) a change of control; and (d) transactions other than public offerings. While we presently plan to comply voluntarily with the corporate governance listing standards of the Nasdaq, we may choose to rely on the exemptions in the future.

Enforceability of Civil Liabilities

Our Company is a company incorporated with limited liability under the laws of the British Virgin Islands. We are incorporated in the British Virgin Islands because of certain benefits associated with being a British Virgin Islands company, such as political and economic stability, an effective judicial system, a favorable tax system, the absence of foreign exchange control or currency restrictions and the availability of professional and support services. However, the British Virgin Islands has a less developed body of securities laws as compared to the United States and provides less protection for investors. In addition, British Virgin Islands companies may not have standing to sue before the U.S. federal courts.

All of our current operations are conducted outside of the United States and all of our current assets are located outside of the United States, with the majority of our operations and current assets being located in Malaysia. All of the Directors and Executive Officers of our Company and the auditor of our Company resides outside the United States and substantially all of their assets are located outside the United States.

As a result, it may not be possible for you to:

- effect service of process within the United States upon our non-U.S. resident directors or on us;
- enforce in U.S. courts judgments obtained against our non-U.S. resident directors or us in the U.S. courts in any action, including actions under the civil liability provisions of U.S. securities laws; and
- enforce in U.S. courts judgments obtained against our non-U.S. resident directors or us in courts of jurisdictions outside the United States in any action, including actions under the civil liability provisions of U.S. securities laws.

We have appointed Cogency Global Inc., 122 E. 42nd Street, 18th Floor, New York, New York 10168, as our agent upon whom process may be served in any action brought against us under the securities laws of the United States.

British Virgin Islands

Mourant Ozannes (BVI), our counsel as to British Virgin Islands law, has advised us that there is uncertainty as to whether the courts of the British Virgin Islands would (i) recognize or enforce judgments of the U.S. courts obtained against us or our Directors or Executive Officers that are predicated upon the civil liability provisions of the U.S. securities laws or any U.S. state; or (ii) entertain original actions brought in the British Virgin Islands against us or our Directors or Executive Officers that are predicated upon the U.S. securities laws or the securities laws of any U.S. state.

We have been advised by our BVI legal counsel, Mourant Ozannes (BVI), that the courts of the BVI are unlikely (i) to recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the securities laws of the United States or any State; and (ii) in original actions brought in the BVI, to impose liabilities against us predicated upon the civil liability provisions of the securities laws of the United States or any State, insofar as the liabilities imposed by those provisions are penal in nature. Although there is no statutory enforcement in the BVI of judgments obtained in the United States, the courts of the BVI will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For a foreign judgment to be enforced in the BVI, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a BVI judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the BVI (awards of punitive or multiple damages may well be held to be contrary to public policy). A BVI Court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere. There is recent Privy Council authority (which is binding on the BVI Court) in the context of a reorganization plan approved by the New York Bankruptcy Court which suggests that due to the universal nature of bankruptcy/insolvency proceedings, foreign money judgments obtained in foreign bankruptcy/insolvency proceedings may be enforced without applying the principles outlined above. However, a more recent English Supreme Court authority (which is highly persuasive but not binding on the BVI Court), has expressly rejected that approach in the context of a default judgment obtained in an adversary proceeding brought in the New York Bankruptcy Court by the receivers of the bankruptcy debtor against a third party, and which would not have been enforceable upon the application of the traditional common law principles summarized above and held that foreign money judgments obtained in bankruptcy/insolvency proceedings should be enforced by applying the principles set out above, and not by the simple exercise of the courts' discretion. We understand that there isn't any BVI Court judgment or statute that conclusively resolves these conflicting approaches and it remains the case that the law regarding the enforcement of bankruptcy/insolvency related judgments is still in a state of uncertainty.

Malaysia

Chia, Ooi, Sun & Co., our counsel as to Malaysian law, has further advised us that there are currently no statutes, treaties, or other forms of reciprocity between the United States and Malaysia providing for the mutual recognition and enforcement of court judgments. Under Malaysian laws, a foreign judgment cannot be directly or summarily enforced in Malaysia. The judgment must first be recognized by a Malaysian court either under applicable Malaysian laws or in accordance with common law principles. For Malaysian courts to accept the jurisdiction for recognition of a foreign judgment, the foreign country where the judgment is made must be a reciprocating country expressly specified and listed in the Reciprocal Enforcement of Judgments Act 1958. As the United States is not one of the countries specified under the statutory regime where a foreign judgment can be recognized and enforced in Malaysia, a judgment obtained in the United States must be enforced by commencing fresh proceedings in a Malaysian court. The requirements for a foreign judgment to be recognized and enforceable in Malaysia are: (i) the judgment must be a monetary judgment; (ii) the foreign court must have had jurisdiction accepted by a Malaysian court; (iii) the judgment was not obtained by fraud; (iv) the enforcement of the judgment must not contravene public policy in Malaysia; (v) the proceedings in which the judgment was obtained were not opposed to natural justice, and (vi) the judgment must be final and conclusive.

Corporate Structure

The following diagram illustrates the corporate structure of Sagtec Global and its subsidiaries as of the date of this annual report



Our Subsidiaries and Business Functions

A description of our principal operating subsidiaries is set forth below.

On June 11, 2018, Sagtec Group was incorporated in Malaysia as a private company limited by shares. On May 27, 2019, Sagtec Group changed its name from Signage Alliance Group Sdn Bhd to Sagtec Group Sdn Bhd It commenced business on June 11, 2018 and is engaged in the provision of customizable software solutions. The solutions Sagtec Group provides include subscription services, software consultation and development services, social media management, data management and analysis services and sales of food ordering kiosks with screens. As part of a group reorganization on January 1, 2024, Sagtec Group became a subsidiary of our Company, with our ownership at 98.04%.

On February 14, 2019, CL Technologies was incorporated in Malaysia as a private company limited by shares. It commenced business on February 14, 2019 and is engaged in the customizable software solutions. The solutions CL Technologies provides include data management & analysis services and social media management. CL Technologies is also engaged in providing sales of power bank charging stations. As part of a group reorganization on January 1, 2024, CL Technologies became a subsidiary of our company, with our ownership at 94.95%.

3.A. [Reserved]

3.B. Capitalization and Indebtedness

Not applicable for annual reports on Form 20-F.

3.C. Reasons for the Offer and Use of Proceeds

Not applicable for annual reports on Form 20-F.

3.D. Risk Factors

Risk Factor Summary

You should carefully consider all of the information in this annual report before making an investment in our Class A Ordinary Shares. Below please find a summary of the principal risks and uncertainties we face, organized under relevant headings. In particular, you should pay special attention to subsections headed “Item 3. Key Information-3.D. Risk Factors-Risks Related to Doing Business in Malaysia,” “-Risks Related to Doing Business in Malaysia,” and “-Risks Related to Our Class A Ordinary Shares.”

Our business is subject to a number of risks, including risks that may prevent us from achieving our business objectives or may adversely affect our business, financial condition, results of operations, cash flows, and prospects. These risks are discussed more fully below and include, but are not limited to, risks related to:

Risks Related to Doing Business in Malaysia:

- Our operations are subject to various laws and regulations in Malaysia. (Page 7)
- We are subject to foreign exchange control policies in Malaysia. (Page 7)

Risks Related to Our Business and Industry:

- We may not be able to successfully implement our business strategies and future plans. (Page 7)
- We derive a substantial portion of our revenue through a limited number of regional dealers, and our business growth depends in part on their ability to acquire new subscribers. (Page 8)
- We are affected by regional and worldwide political, regulatory, social and economic conditions in the jurisdictions in which we and our customers and suppliers operate and in the jurisdictions which we intend to expand our business in. (Page 9)
- We are dependent on the need to continually maintain a wide range of software technological solutions which are relevant to our customers' needs. (Page 9)
- Our continued success is dependent on our key management personnel and our experienced and skilled personnel, and our business may be severely disrupted if we are unable to retain them or to attract suitable replacements. (Page 9)
- Our reputation and profitability may be adversely affected if there are major malfunctions in our software solutions sold to our customers. (Page 10)
- Increased competition in the sale of software solutions in Malaysia and the region may affect our ability to maintain our market share and growth. (Page 10)
- Our business is subject to supply chain interruptions. (Page 11)
- We may be affected by an outbreak of other infectious diseases. (Page 11)
- We are exposed to risks arising from fluctuations of foreign currency exchange rates. (Page 12)
- We and/or our customers may not be able to obtain the necessary approvals or certifications for the use of our software solutions in Malaysia. (Page 12)
- We are subject to environmental, health and safety regulations and penalties, and may be adversely affected by new and changing laws and regulations. (Page 12)
- Our insurance policies may be inadequate to cover our assets, operations and any loss arising from business interruptions. (Page 12)
- We may be harmed by negative publicity. (Page 12)
- We are exposed to risks in respect of acts of war, terrorist attacks, epidemics, political unrest, adverse weather conditions and other uncontrollable events. (Page 12)
- The current tensions in international trade and rising international political tensions may adversely affect our business, financial condition, and results of operations. (Page 13)

Risks Related to our Class A Ordinary Shares

- We may not maintain the listing of our Class A Ordinary Shares on Nasdaq Capital Market which could limit investors' ability to make transactions in our Class A Ordinary Shares and subject us to additional trading restrictions. (Page 13)
- The trading price of our Class A Ordinary Shares may be volatile, which could result in substantial losses to investors. (Page 13)
- Certain recent initial public offerings of companies with public floats comparable to the anticipated public float of our Company have experienced extreme volatility that was seemingly unrelated to the underlying performance of the respective company. We may experience similar volatility. Such volatility, including any stock-run up, may be unrelated to our actual or expected operating performance and financial condition or prospects, making it difficult for prospective investors to assess the rapidly changing value of our Class A Ordinary Shares. (Page 14)
- If securities or industry analysts do not publish research or reports about our business causing us to lose visibility in the financial markets or if they adversely change their recommendations regarding our Class A Ordinary Shares, the market price for our Class A Ordinary Shares and trading volume could decline. (Page 14)
- Because we do not expect to pay dividends in the foreseeable future, you must rely on price appreciation of our Class A Ordinary Shares for a return on your investment. (Page 15)
- Short selling may drive down the market price of our Class A Ordinary Shares. (Page 15)
- You must rely on the judgment of our management as to the uses of the net proceeds from our continued offering, and such uses may not produce income or increase our share price. (Page 15)
- If we are classified as a passive foreign investment company, United States taxpayers who own our securities may have adverse United States federal income tax consequences. (Page 15)
- Our controlling shareholder, Mr. Ng Chen Lok, has substantial influence over the Company. His interests may not be aligned with the interests of our other shareholders, and he could prevent or cause a change of control or other transactions. (Page 8)
- As a "controlled company" under the rules of Nasdaq Capital Market, we may choose to exempt our Company from certain corporate governance requirements that could have an adverse effect on our public shareholders. (Page 16)
- As a company incorporated in the BVI, we are permitted to follow certain home country practices in relation to corporate governance matters in lieu of certain requirements under Nasdaq corporate governance listing standards. These practices may afford less protection to shareholders than they would enjoy if we complied fully with Nasdaq corporate governance listing standards. (Page 16)
- You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under British Virgin Islands law. (Page 16)
- Certain judgments obtained against us or our auditor by our shareholders may not be enforceable. (Page 17)
- We are an emerging growth company within the meaning of the Securities Act and may take advantage of certain reduced reporting requirements applicable to other public companies that are not emerging growth companies. (Page 17)
- We are a foreign private issuer within the meaning of the Exchange Act, and as such we are exempt from certain provisions applicable to United States domestic public companies. (Page 18)
- We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses to us. (Page 19)
- We will incur significantly increased costs and devote substantial management time as a result of the listing of our Class A Ordinary Shares on Nasdaq Capital Market. (Page 18)

Risks Related to Doing Business in Malaysia

Our operations are subject to various laws and regulations in Malaysia.

Our operations in Malaysia are subject to a variety of laws and regulations, including those pertaining to business licenses, intellectual property rights, employment, personal data and privacy, dividends, unmanned aircraft, distribution trade services, and cybersecurity. For more information, please consult the “Regulatory Environment” section in this annual report. Compliance with these laws necessitates certain registrations, certificates, and/or licenses.

Based on our experience, some of the laws and regulations of the place where we operate our business are subject to amendments, uncertainty in interpretation and administrative actions from time to time. Consequently, we cannot guarantee that we will be able to secure all necessary registrations, certificates, and/or licenses for the execution of our business plans or the launch of new services or products. Non-compliance with these laws and regulations could result in fines, administrative penalties, and/or legal action against us, potentially damaging our reputation and impacting our financial status or operational results.

We are subject to foreign exchange control policies in Malaysia.

The ability of our subsidiaries to pay dividends or make other payments to us may be restricted by the foreign exchange control policies in the countries where we operate. For example, there are foreign exchange policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange policies are administered by the Foreign Exchange Administration, an arm of the Bank Negara Malaysia (the Central Bank of Malaysia) (“BNM”). The foreign exchange policies monitor and regulate both residents and non-residents of Malaysia. Under the current Foreign Exchange Administration rules issued by BNM, nonresidents are free to repatriate any amount of funds from Malaysia in foreign currency other than the currency of Israel at any time (subject to limited exceptions), including capital, divestment proceeds, profits, dividends, rental, fees and interest arising from investment in Malaysia, subject to any withholding tax. In the event BNM or any other country where we operate introduces any restrictions in the future, our ability to repatriate dividends or other payments from our subsidiaries in Malaysia or in such other countries may be affected. Since we are a BVI holding company and rely principally on dividends and other payments from our subsidiaries for our cash requirements, any restrictions on such dividends or other payments could materially and adversely affect our liquidity, financial condition and results of operations.

Risks Related to Our Business and Industry

We may not be able to successfully implement our business strategies and future plans.

As part of our business strategies and future plans, we intend to expand our software technology portfolio and increase our storage facilities and capabilities as well as consider potential business opportunities through mergers and acquisitions and joint ventures. While we have planned such expansion based on our outlook regarding our business prospects, there is no assurance that such expansion plans will be commercially successful or that the actual outcome of those expansion plans will match our expectations. The success and viability of our expansion plans are dependent upon our ability to successfully predict the types of software technology which are in demand amongst our customers, hire and retain skilled employees to carry out our business strategies and future plans and implement strategic business development and marketing plans effectively and upon an increase in demand for our products and services by existing and new customers in the future.

Further, the implementation of our business strategies and future plans may require substantial capital expenditure and additional financial resources and commitments. There is no assurance that these business strategies and future plans will achieve the expected results or outcome such as an increase in revenue that will be commensurate with our investment costs or the ability to generate any costs savings, increased operational efficiency and/or productivity improvements to our operations. There is also no assurance that we will be able to obtain financing on terms that are favorable, if at all. If the results or outcome of our future plans do not meet our expectations, if we fail to achieve a sufficient level of revenue or if we fail to manage our costs efficiently, we may not be able to recover our investment costs and our business, financial condition, results of operations and prospects may be adversely affected.

Our controlling shareholder, Mr. Ng Chen Lok, has substantial influence over the Company. His interests may not be aligned with the interests of our other shareholders, and he could prevent or cause a change of control or other transactions.

As of the date of this annual report, Mr. Ng Chen Lok holds 36.63% of our issued and outstanding Class A Ordinary Shares and 100% of our Class B Ordinary Shares, and is able to exercise 80.72% of the total voting power of our issued and outstanding ordinary shares.

Accordingly, our controlling shareholder could have considerable influence or control over the outcome of any corporate transactions or other matters submitted to the shareholders for approval, including (i) mergers, consolidations, (ii) the election or removal of Directors, (iii) the sale of all or substantially all of our assets, (iv) making amendments to our Memorandum and Articles of Association, (v) whether to issue additional shares, including to him, (vi) employment, including compensation arrangements, and (vii) the power to prevent or cause a change in control. The interests of our largest shareholder may differ from the interests of our other shareholders. Without the consent of our controlling shareholder, we may be prevented from entering into transactions that could be beneficial to us or our other shareholders. The concentration in the ownership of our shares may cause a material decline in the value of our shares. For more information regarding our principal shareholders and their affiliated entities, see “Principal Shareholders.”

We derive a substantial portion of our revenue through a limited number of regional dealers, and our business growth depends in part on their ability to acquire new subscribers.

We distribute our products and services through a network of authorized regional dealers and resellers who are granted exclusive dealership rights within their respective territories, subject to achieving certain performance targets. For the years ended December 31, 2023, 2024 and 2025, our top five dealers accounted for 63.63%, 71.63% and 71.12% of our total revenue, respectively.

While our revenue is recorded through these dealers, our business model is based on recurring licensing fees paid by subscribers who hold licenses directly with Sagtec. As a result, even if a dealer ceases to collaborate with us, existing subscribers within that dealer’s territory are expected to continue their subscriptions and pay licensing fees directly to us. This structure provides a degree of revenue stability and predictability based on our existing subscriber base.

Nevertheless, our reliance on a limited number of dealers to expand our subscriber base exposes us to certain risks. Specifically, any one of the following events, among others, may cause our subscriber growth to slow or our revenue to decline, and have an adverse effect on our business, results of operations, financial condition and prospects:

- a decline in the ability or effort of one or more of our major dealers to acquire new subscribers;
- the decision by one or more of our major dealers to promote competing products or services;
- disputes with dealers regarding pricing, exclusivity terms, or performance targets; or
- regulatory developments that may negatively affect the business of one or more of our major dealers or our industry in general.

If we are unable to maintain productive relationships with our dealers or to appoint effective replacements in a timely manner, our ability to grow our subscriber base and expand our business may be adversely affected.

We are affected by regional and worldwide political, regulatory, social and economic conditions in the jurisdictions in which we and our customers and suppliers operate and in the jurisdictions which we intend to expand our business in.

We and our customers and suppliers are governed by the laws, regulations, and government policies in each of the various jurisdictions in which we and our customers and suppliers operate or into which we intend to expand our business and operations. Our business and future growth are dependent on the political, regulatory, social and economic conditions in these jurisdictions, which are beyond our control. Any economic downturn, changes in policies, currency and interest rate fluctuations, capital controls or capital restrictions, labor laws, changes in environmental protection laws and regulations, duties and taxation and limitations on imports and exports in these countries may materially and adversely affect our business, financial condition, results of operations and prospects.

Generally, we fund the development of our software technology via our internal resources and short and long-term financing from banks and other financial institutions. Any disruption, uncertainty and volatility in the global credit markets may limit our ability to obtain the required working capital and financing for our business at reasonable terms and finance costs. If all or a substantial portion of our credit facilities are withdrawn and we are unable to secure alternative funding on acceptable commercial terms, our operations and financial position will be adversely affected. The interest rates for most of our credit facilities are subject to review from time to time by the relevant financial institutions. Given that we rely on these credit facilities to finance our development of our software technology, and other associated costs, and that interest expenses represent a significant percentage of our expenses, any increase in the interest rates of the credit facilities extended to us may have a material adverse impact on our profitability.

In addition, such fluctuations and volatility in the global credit markets could limit credit lines of our current and potential customers from banks or financial institutions. Accordingly, such customers may not be able to obtain sufficient financing to purchase our software technology solutions, or we may be required to lower our rates in order to cater to our customers' current situation. This may have an adverse impact on our revenue and financial performance.

We are dependent on the need to continually maintain a wide range of software technological solutions which are relevant to our customers' needs.

The needs and preferences of our customers in terms of features and specifications of software technology solutions may change as a result of evolving laws, regulations, standards and requirements and new developments in technology. Our future success depends on our ability to obtain and provide software technology solutions that meet the evolving market demands of our customers. The preferences, requirements and purchasing patterns of our customers can change rapidly due to technological developments in their respective industries. There is no assurance that we will be able to respond to changes in the specifications of our customers in a timely manner. Our success depends on our ability to adapt our software solutions to the requirements and specifications of our customers. There is also no assurance that we will be able to respond to changes sufficiently and promptly in customer preferences to make corresponding adjustments to our products or services, and failing to do so may have a material and adverse effect on our business, financial condition, results of operations and prospects.

Our revenue relies on customer demand for our software technology solutions. Depending on the progress of technological development of the current programs and systems we use for development of our software solutions, our existing software may become prematurely obsolete or phased out. Any change in customer demand for our products may have an adverse impact on our product sales, which may in turn lead to technological obsolescence. In that case, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our continued success is dependent on our key management personnel and our experienced and skilled personnel, and our business may be severely disrupted if we are unable to retain them or to attract suitable replacements.

Since the commencement of our business, our Executive Director, Chairman and Chief Executive Officer, Mr. Ng Chen Lok has been instrumental in expanding our business from a three-person operation specializing in software development (Speed+ Point of Sales System) for the F&B industry in June 2018 to providing our current wide range of software solutions today. We rely on the wide network and contacts of Mr. Ng Chen Lok, which was built over the past decade, in particular, sourcing for new customers through his existing contacts.

Our performance depends on the continued service and performance of Mr. Ng Chen Lok because he plays an important role in guiding the implementation of our business strategies and future plans. The working and business relationships that Mr. Ng Chen Lok has developed with our main suppliers and customers over the years is important for the future development of our business. If Mr. Ng Chen Lok were to terminate his employment, there is no assurance that we would be able to find suitable replacements with such a vast network of contacts in a timely manner. The loss of services of Mr. Ng Chen Lok and/or the inability to identify, hire, train and retain other qualified technical and operations personnel in the future may materially and adversely affect our business, financial condition, results of operations and prospects.

In addition, although we are dependent on certain key personnel, we do not have any key man life insurance policies on any such individual with the exception of Mr. Ng Chen Lok. Therefore, if any of our key management personnel dies or become disabled, we will not receive any compensation to assist with such individual's absence. The loss of such a person could materially and adversely affect our business, financial condition, results of operations and growth prospects.

Our reputation and profitability may be adversely affected if there are major malfunctions in our software solutions sold to our customers.

Our operations are exposed to the risk of software failure, bugs and malware, which may arise due to poor maintenance, hardware and software bugs, power outages, and the risk of failure by our customers to follow procedures and protocols, possibly resulting in pauses in our customers operations. In the event of any malfunction, we may be forced to cease all, or part of our operations and we may be subject to legal and regulatory liabilities and actions such as directives, penalties, sanctions, or significant costs and expenses in any dispute as a result of such software failure. This may have an adverse impact on our operations and financial performance.

Since our establishment, we believe that we have built goodwill in our brands and thus customer loyalty. Hence, if there are any major lapses in our sales of software solutions and/or due to circumstances beyond our control resulting in negative publicity, our reputation may be adversely affected, and our customers may lose confidence in our software solutions. In such an event, our business and hence our profitability and financial performance may be adversely affected.

A significant failure or deterioration in our quality control systems could have a material adverse effect on our business and operating results.

The quality of our products and services are critical to the success of our business and operations. As such, it is imperative that our quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems and the quality training programs. Although we strive to ensure that all of our customers are taught how to use our software solutions and integrated hardware, and have implemented and adhere to high-quality control systems, any significant failure or deterioration of such quality control systems could have a material adverse effect on our business and operating results.

Increased competition in the sale of software solutions in Malaysia and the region may affect our ability to maintain our market share and growth.

We operate in the software technology sales business, which is highly competitive. Our competitors may possess greater financial resources and more up-to-date software with better specifications and features. They may also have a larger customer base and offer a wider range of software features and specifications coupled with greater marketing resources.

Entry of new competitors in the market or market consolidation could also increase the degree of competition within the industry. Our continued success depends on our ability to compete with our competitors as well as to be able to compete successfully in the future against existing or potential competitors or to adapt to changes in market conditions and demands. In the event we are unable to compete successfully against existing or potential competitors or to adapt to changes in market conditions and demands, our business and financial performance may be adversely affected.

We maintain good working relationships with our suppliers and customers and have a wide range of software features targeted for our customers' needs. However, there is no assurance that our existing suppliers and customers will renew their agreements or continue to work with us. In the event our suppliers and customers choose to work with our competitors and/or our experienced and skilled employees choose to join our competitors, we may not be able to maintain our competitive position, and our business, financial condition, results of operations, and prospects may be materially and adversely affected.

Our business is subject to supply chain interruptions.

We work with third-party logistic providers for the import, export, and transportation of our technological hardware. We rely on such third-party service providers' abilities to deliver our technological hardware as part of the supply chain logistics. The factors that can adversely affect our operations include, but are not limited to:

- interruptions to our delivery capabilities;
- failure of third-party service providers to meet our standards or their commitments to us; and
- increasing transportation costs, shipping constraint or other factors that could impact cost, such as having to find more expensive service providers which may or may not be readily available.

Our results of operations and capital resources have not been materially impacted by supply chain interruptions during the financial years ended December 31, 2023, 2024, and 2025, there have not been any material impact for the financial years ended December 31, 2023, 2024 and 2025 because our business mainly relies on software development developed internally. However, any increased costs from delays, cancellations, and insurance, or disruption to, or inefficiency in, the supply chain network of our third-party service providers, whether due to geopolitical conflicts, COVID-19, outbreaks, or other factors, could affect our revenue and profitability. Please refer to the risk factors "Our business and operations may be materially and adversely affected in the event of a re-occurrence or a prolonged global pandemic outbreak of COVID-19" set out below in this annual report, for details on how these recent events have caused interruptions to our supply chain and impacted our operations. If we fail to manage these risks effectively, we could experience a material adverse impact on our reputation, revenue, and profitability.

Our business model does not heavily rely on third-party software or services, particularly those that are directly integrated into our products or operations. This reduces our dependency on external technology and lessens the potential impact of cybersecurity breaches or disruptions originating from these third-party entities. Currently, we only receive a small number of inquiries via our website at <https://www.sagtec-global.com/>. Despite our perception of the lower risk of cybersecurity related incidents materially affecting our operations, we plan to prioritize the implementation of cybersecurity measures to maintain a secure and reliable business environment. For example, we plan to (i) conduct more rigorous assessments of potential suppliers' cybersecurity practices, including penetration testing and vulnerability assessments; (ii) incorporate cybersecurity clauses into our business contracts;; (iii) educate our employees on cybersecurity threats by providing training for employees to recognize and report phishing attempts, social engineering tactics, and other cyber threats; and (iv) implement cybersecurity awareness tools and simulations to test employees' knowledge and response to potential threats. By implementing these measures, we hope that our ability to respond to and recover from any eventual cybersecurity incidents will be enhanced.

We may be affected by an outbreak of other infectious diseases.

An outbreak of infectious diseases such as severe acute respiratory syndrome and avian influenza or new forms of infectious diseases in the future may potentially affect our operations as well as the operations of our customers and suppliers. In the event that any of the employees in any of our offices or worksites or those of our customers and suppliers are affected by any infectious disease, we or our customers and suppliers may be required to temporarily shut down our or their offices or worksites to prevent the spread of the diseases. This may have an adverse impact on our revenue and financial performance.

We are exposed to risks arising from fluctuations in foreign currency exchange rates.

Our reporting currency is Malaysian Ringgit. Our overseas sales are denominated in Malaysian Ringgit and procurement from our overseas suppliers are also denominated in Malaysian Ringgit. We may be exposed to foreign currency exchange gains or losses arising from transactions in currencies other than our reporting currency.

We and/or our customers may not be able to obtain the necessary approvals or certifications for the use of our software solutions in Malaysia.

Various jurisdictions may require different licenses, approvals and certifications for the use and operation of certain software solutions, such as in Malaysia.

As we offer software solutions to our customers within Malaysia, we will need to maintain such approvals and certifications in order to carry out such services. In addition, we are guided by a set of regulations imposed on us as described in the “Regulatory Environment” section on page 36 below. We are subject to monetary fines other penalties if there is an infringement of any of the applicable safety regulations. Our business operations are regulated by various governmental bodies and authorities in Malaysia disclosed in the “Regulatory Environment” section of this annual report on page 36. Any such new regulations or any imposition of new licensing requirements that may be applicable to our business operations and/or the products that we supply may have an adverse impact on our operations and financial performance.

In addition, compliance with changes in government legislation, regulations, or policies may increase our costs and any significant increase in compliance costs arising from such changes may adversely affect our financial performance. In such event, our business and profitability would be materially and adversely affected.

We are subject to environmental, health, and safety regulations and penalties, and may be adversely affected by new and changing laws and regulations.

We are subject to laws, regulations, and policies relating to the protection of the environment and to workplace health and safety. We are required to adopt measures to implement such measures that ensure the safety and health of our employees. Changes to current laws, regulations, or policies or the imposition of new laws, regulations, and policies in the software technology industry could impose new restrictions or prohibitions on our current practices. We may incur significant costs and expenses and need to budget additional resources to comply with any such requirements, which may have a material and adverse effect on our business, financial condition, results of operations, and prospects.

Our insurance policies may be inadequate to cover our assets, operations, and any loss arising from business interruptions.

We face the risk of loss or damage to our equipment due to fire, theft, or other natural disasters in Malaysia. Such events may also cause a disruption or cessation in our business operations, and thus may adversely affect our financial results. Our insurance coverage may not be sufficient to cover all of our potential losses. If there are losses that exceed the insurance coverage or are not covered by our insurance policies, we will remain liable for any liability, debt, or other financial obligation related to such losses. We do not have any insurance coverage for business interruptions. In the event that any claims arise in respect of such occurrences and liability for such claims are attributed to us or that our insurance coverage is insufficient, we may be exposed to losses which may adversely affect our profitability and financial position.

We may be harmed by negative publicity.

We operate in highly competitive industries and there are other companies in the market that offer similar products for sales and rental and complementary services which we offer. We derive most of our customers through word of mouth and we rely on the positive feedback of our customers. Thus, customer satisfaction with our software technology products is critical to the success of our business as this will also result in potential referrals to new customers from our existing customers. If we fail to meet our customers’ expectations, there may be negative feedback regarding our products and/or services, which may have an adverse impact on our business and reputation. In the event we are unable to maintain a high level of customer satisfaction, or any customer dissatisfaction is inadequately addressed, our business, financial condition, results of operations and prospects may also be adversely affected.

Our reputation may also be adversely affected by negative publicity in reports, publications such as major newspapers and forums, or any other negative publicity or rumors. There is no assurance that our Group will not experience negative publicity in the future or that such negative publicity will not have a material and adverse effect on our reputation or prospects. This may result in our inability to attract new customers or retain existing customers and may in turn adversely affect our business and the results of operations.

We are exposed to risks with respect of acts of war, terrorist attacks, epidemics, political unrest, adverse weather conditions, and other uncontrollable events.

Unforeseeable circumstances and other factors such as power outages, labor disputes, adverse weather conditions or other catastrophes, epidemics, or outbreaks may disrupt our operations and cause loss and damage to our storage facilities, workshop, and office, and acts of war, terrorist attacks or other acts of violence may further materially and adversely affect the global financial markets and consumer confidence. Our business may also be affected by macroeconomic factors in the countries in which we operate, such as general economic conditions, market sentiment, social and political unrest, and regulatory, fiscal, and other governmental policies, all of which are beyond our control. Any such events may cause damage or disruption to our business, markets, customers, and suppliers, any of which may materially and adversely affect our business, financial condition, results of operations, and prospects.

The current tensions in international trade and rising international political tensions may adversely affect our business, financial condition, and results of operations.

In recent years, there have been heightened trade and political tensions in international relations. These tensions have affected diplomatic and economic ties between countries and created uncertainties in the global economy. Heightened geopolitical tensions could reduce levels of trade, investment, technological exchange, and other economic activities between major economies. Any deterioration in international relations may negatively impact global economic, political, and social conditions, which in turn could adversely affect our business, financial condition, and results of operations.

Governments around the world have implemented, and may continue to implement, policies that restrict international trade and investment, such as tariffs, export controls, economic or trade sanctions, and foreign investment review and approval requirements. These measures may materially and adversely affect international trade, global financial markets, and overall economic stability. In addition, changes in trade policies, retaliatory measures by affected countries, or escalation of trade restrictions may further disrupt global supply chains and increase market volatility.

Although cross-border business is not currently a primary focus of our operations, if we seek to expand internationally in the future, any unfavorable government policies or increased geopolitical tensions could affect demand for our products and services, impact our competitive position, increase compliance costs, or limit our ability to operate in certain markets.

Risks Related to Our Securities and Our Continued Offering

We may not maintain the listing of our Class A Ordinary Shares on the Nasdaq Capital Market which could limit investors' ability to make transactions in our Class A Ordinary Shares and subject us to additional trading restrictions.

We intend to list our Class A Ordinary Shares on the Nasdaq Capital Market concurrently with our continued offering. In order to continue listing our Class A Ordinary Shares on the Nasdaq Capital Market, we must maintain certain financial and share price levels and we may be unable to meet these requirements in the future. We cannot assure you that our Class A Ordinary Shares will continue to be listed on the Nasdaq Capital Market in the future.

If the Nasdaq Capital Market delists our Class A Ordinary Shares and we are unable to list our Class A Ordinary Shares on another national securities exchange, we expect our Class A Ordinary Shares could be quoted on an over-the-counter market in the United States. If this were to occur, we could face significant material adverse consequences, including:

- (a) a limited availability of market quotations for our Class A Ordinary Shares;
- (b) reduced liquidity for our Class A Ordinary Shares;
- (c) a determination that our Class A Ordinary Shares are "penny stock," which will require brokers trading in our Class A Ordinary Shares to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our Class A Ordinary Shares;
- (d) a limited amount of news and analyst coverage; and
- (e) a decreased ability to issue additional securities or obtain additional financing in the future.

As long as our Class A Ordinary Shares are listed on the Nasdaq Capital Market, U.S. federal law prevents or pre-empts individual states from regulating their sale. However, the law does allow the states to investigate companies if there is a suspicion of fraud, and, if there is a finding of fraudulent activity, then the states can regulate or bar their sale. Further, if we were no longer listed on the Nasdaq Capital Market, we would be subject to regulations in each state in which we offer our Class A Ordinary Shares.

The trading price of our Class A Ordinary Shares may be volatile, which could result in substantial losses to investors.

The trading price of our Class A Ordinary Shares may be volatile and could fluctuate widely due to factors beyond our control. This may happen because of the broad market and industry factors, like the performance and fluctuation of the market prices of other companies with business operations located mainly in Malaysia that have listed their securities in the United States. In addition to market and industry factors, the price and trading volume for our shares may be highly volatile for factors specific to our own operations, including the following:

- fluctuations in our revenues, earnings and cash flow;
- changes in financial estimates by securities analysts;
- additions or departures of key personnel;

- release of lock-up or other transfer restrictions on our outstanding equity securities or sales of additional equity securities; and
- potential litigation or regulatory investigations.

Any of these factors may result in significant and sudden changes in the volume and price at which our shares will trade.

In the past, shareholders of public companies have often brought securities class action suits against those companies following periods of instability in the market price of their securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations and require us to incur significant expenses to defend the suit, which could harm our results of operations. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

Certain recent initial public offerings of companies with public floats comparable to the anticipated public float of our Company have experienced extreme volatility that was seemingly unrelated to the underlying performance of the respective company. We may experience similar volatility. Such volatility, including any stock-run up, may be unrelated to our actual or expected operating performance and financial condition or prospects, making it difficult for prospective investors to assess the rapidly changing value of our Class A Ordinary Shares.

Recently, there have been instances of extreme stock price run-ups followed by rapid price declines and strong stock price volatility with recent initial public offerings, especially among those with relatively smaller public floats. As a relatively small-capitalization company with relatively small public float, we may experience greater stock price volatility, extreme price run-ups, lower trading volume and less liquidity than large-capitalization companies. In particular, our Class A Ordinary Shares may be subject to rapid and substantial price volatility, low volumes of trades and large spreads in bid and ask prices. Such volatility, including any stock-run up, may be unrelated to our actual or expected operating performance and financial condition or prospects, making it difficult for prospective investors to assess the rapidly changing value of our Class A Ordinary Shares.

In addition, if the trading volumes of our Class A Ordinary Shares are low, persons buying or selling in relatively small quantities may easily influence prices of our Class A Ordinary Shares. This low volume of trades could also cause the price of our Class A Ordinary Shares to fluctuate greatly, with large percentage changes in price occurring in any trading day session. Holders of our Class A Ordinary Shares may also not be able to readily liquidate their investment or may be forced to sell at depressed prices due to low volume trading. Broad market fluctuations and general economic and political conditions may also adversely affect the market price of our Class A Ordinary Shares. As a result of this volatility, investors may experience losses on their investment in our Class A Ordinary Shares. A decline in the market price of our Class A Ordinary Shares also could adversely affect our ability to issue additional shares of Class A Ordinary Shares or other of our securities and our ability to obtain additional financing in the future. No assurance can be given that an active market in our Class A Ordinary Shares will develop or be sustained. If an active market does not develop, holders of our Class A Ordinary Shares may be unable to readily sell the shares they hold or may not be able to sell their shares at all.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding our Class A Ordinary Shares, the market price for our Class A Ordinary Shares and trading volume could decline.

The trading market for our shares will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts downgrade our shares, the market price for our shares would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price or trading volume for our shares to decline.

Because we do not expect to pay dividends in the foreseeable future, you must rely on price appreciation of our Class A Ordinary Shares for a return on your investment.

We currently intend to retain all of our available funds and any future earnings after our continued offering to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our shares as a source for any future dividend income. Our Board has complete discretion as to whether to distribute dividends, subject to certain requirements of British Virgin Islands and Malaysia law. Even if our Board decides to declare and pay dividends (by way of a simple majority decision of our Directors), the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors as determined by our Board. This will also be subject to the Companies Act and our Memorandum and Articles of Association, which provides for an equal share in any distributions paid by the Company in accordance with the Companies Act and our Memorandum and Articles of Association for the Class A Ordinary Shares and Class B Ordinary Shares. Accordingly, the return on your investment in our Class A Ordinary Shares will likely depend entirely upon any future price appreciation of our Class A Ordinary Shares. There is no guarantee that our Class A Ordinary Shares will appreciate in value after our continued offering or even maintain the price at which you purchased our shares. You may not realize a return on your investment in our shares and you may even lose your entire investment.

Short selling may drive down the market price of our Class A Ordinary Shares.

Short selling is the practice of selling shares that the seller does not own but rather has borrowed from a third party with the intention of buying identical shares back at a later date to return to the lender. The short seller hopes to profit from a decline in the value of the shares between the sale of the borrowed shares and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. As it is in the short seller's interest for the price of the shares to decline, many short sellers publish, or arrange for the publication of, negative opinions and allegations regarding the relevant issuer and its business prospects in order to create negative market momentum and generate profits for themselves after selling the shares short. These short attacks have, in the past, led to selling of shares in the market. If we were to become the subject of any unfavorable publicity, whether such allegations are proven to be true or untrue, we could have to expend a significant number of resources to investigate such allegations and/or defend ourselves. While we would strongly defend against any such short seller attacks, we may be constrained in the manner in which we can proceed against the relevant short seller by principles of freedom of speech, applicable state law or issues of commercial confidentiality.

You must rely on the judgment of our management as to the uses of the net proceeds from our continued offering, and such uses may not produce income or increase our share price.

We intend to use the net proceeds of our continued offering as set out in "Use of Proceeds." However, our management will have considerable discretion in the application of the net proceeds received by us in our continued offering. You will not have the opportunity, as part of your investment decision, to assess whether proceeds are being used appropriately. The net proceeds may be used for corporate purposes that do not improve our efforts to achieve or maintain profitability or increase our share price. The net proceeds from our continued offering may be placed in investments that do not produce income or that lose value.

If we are classified as a passive foreign investment company, United States taxpayers who own our securities may have adverse United States federal income tax consequences.

We are a non-U.S. corporation and, as such, we will be classified as a passive foreign investment company, which is known as a PFIC, for any taxable year if, for such year, either:

- At least 75% of our gross income for the year is passive income; or
- The average percentage of our assets (determined at the end of each quarter) during the taxable year that produce passive income or that are held for the production of passive income is at least 50%.

Passive income generally includes dividends, interest, rents, royalties (other than rents or royalties derived from the active conduct of a trade or business) and gains from the disposition of passive assets.

If we are determined to be a PFIC for any taxable year (or portion thereof) that is included in the holding period of a U.S. taxpayer who holds our securities, the U.S. taxpayer may be subject to increased U.S. federal income tax liability and may be subject to additional reporting requirements.

While we do not expect to become a PFIC, because the value of our assets for purposes of the asset test may be determined by reference to the market price of our Class A Ordinary Shares, fluctuations in the market price of our Class A Ordinary Shares may cause us to become a PFIC for the current or subsequent taxable years. The determination of whether we will be or become a PFIC will also depend, in part, on the composition of our income and assets. If we determine not to deploy significant amounts of cash for active purposes, our risk of being a PFIC may substantially increase. Because there are uncertainties in the application of the relevant rules and PFIC status is a factual determination made annually after the close of each taxable year, there can be no assurance that we will not be a PFIC for the current taxable year or any future taxable year.

For a more detailed discussion of the application of the PFIC rules to us and the consequences to U.S. taxpayers if we were determined to be a PFIC, see “Material Tax Considerations - Passive Foreign Investment Company Considerations.”

As a “controlled company” under the rules of the Nasdaq Capital Market, we may choose to exempt our Company from certain corporate governance requirements that could have an adverse effect on our public shareholders.

Mr. Ng Chen Lok, our Chairman of the Board, Executive Director and Chief Executive Officer, holds 36.63% of our total issued and outstanding Class A Ordinary Shares and 100% of our total issued and outstanding Class B Ordinary Shares and is able to exercise 80.72% of the total voting power of our issued and outstanding shares. Under the Rule 4350(c) of the Nasdaq Capital Market, a company of which more than 50% of the voting power is held by an individual, group or another company is a “controlled company” and may elect not to comply with certain corporate governance requirements, including:

- an exemption from the rule that a majority of our Board must be independent directors;
- an exemption from the rule that the compensation of our chief executive officer must be determined or recommended solely by independent directors; and
- An exemption from the rule that our director nominees must be selected or recommended solely by independent directors.

While we presently plan to comply voluntarily with the corporate governing listing standards of Nasdaq, we may choose to rely on the exemptions in the future. As a result, you may not have the same protection afforded to shareholders of companies that are subject to these corporate governance requirements.

As a company incorporated in the BVI, we are permitted to follow certain home country practices in relation to corporate governance matters in lieu of certain requirements under Nasdaq corporate governance listing rules. These practices may afford less protection to shareholders than they would enjoy if we complied fully with Nasdaq corporate governance listing standards.

As a company incorporated in the BVI, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the corporate governance listing requirements of Nasdaq. Some of these practices include being exempted from certain of the corporate governance requirements of Nasdaq, namely (i) there will not be a necessity to have regularly scheduled executive sessions with independent Directors; and (ii) there will be no requirement for the Company to obtain Shareholder approval prior to an issuance of securities in connection with (a) the acquisition of stock or assets of another company; (b) equity-based compensation of officers, directors, employees or consultants; and (c) a change of control. These practices may afford less protection to Shareholders than they would enjoy if we complied fully with corporate governance listing requirements of Nasdaq.

We have elected to follow home country practice in British Virgin Islands in lieu of Nasdaq Capital Market Listing Rule 5600 with the exception of those rules which are required to be followed pursuant to the provisions of Listing Rule 5615(a)(3). See “Item 16G. Corporate Governance” for more information. As a result, our shareholders may not be provided with the benefits of certain corporate governance requirements of Nasdaq.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under British Virgin Islands law

We are a BVI business company limited by shares incorporated under the laws of the BVI. Our corporate affairs are governed by our Memorandum and Articles of Association, the Companies Act and the common law of the BVI.

We have been advised by Mourant Ozannes as BVI counsel to the Company that the United States and the BVI do not have a treaty providing for reciprocal recognition and enforcement of judgments of courts of the United States in civil and commercial matters and that a final judgment for the payment of money rendered by any general or state court in the United States based on civil liability, whether or not predicated solely upon the U.S. federal securities laws, is unlikely to be directly enforceable in the BVI. We have also been advised by Mourant Ozannes that a final and conclusive judgment obtained in a U.S. federal or state court under which a sum of money is payable as compensatory damages (not being a sum claimed by a revenue authority for taxes or other charges of a similar nature by a governmental authority, or in respect of a fine or penalty or multiple or punitive damages) may be recognized by the High Court of the BVI as a cause of action for a debt.

The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary duties of our directors to us under British Virgin Islands law are governed by the Companies Act and the common law of the BVI. The common law of the BVI is derived in part from comparatively limited judicial precedent in the BVI as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the BVI. The rights of our shareholders and the fiduciary duties of our directors under British Virgin Islands law are not as clearly established as they would be under statutes or judicial precedent in some states in the United States. In particular, the BVI has a less developed body of securities laws than the United States. Some U.S. states have more fully developed and judicially interpreted bodies of corporate law than the BVI. In addition, BVI companies may not have the standing to initiate a shareholder derivative action in a federal court of the United States.

Our shareholders are entitled, by giving written notice to the Company, to inspect the Company's Memorandum and Articles of Association, register of members, register of directors and minutes of meetings and resolutions of shareholders. However, pursuant to the Companies Act, our directors may, if they are satisfied that it would be contrary to the Company's interests to allow a shareholder to inspect the register of members, register of directors, minutes of meetings, resolutions of members, or any part of such document refuse to permit the shareholder to inspect that document or limit the inspection of that document, including limiting the making of copies or the taking of extracts from the records. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

Certain corporate governance practices in the British Virgin Islands, which is our home country, differ significantly from requirements for companies incorporated in other jurisdictions such as U.S. states. Accordingly, our shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. domestic issuers.

As a result of all of the above, shareholders may have more difficulty in protecting their interests in the face of actions taken by our management, members of our board of directors or our controlling shareholder than they would as shareholders of a company incorporated in a U.S. state. For a discussion of significant differences between the provisions of the Companies Act and the laws applicable to companies incorporated in a U.S. state and their shareholders, see "Certain British Virgin Islands Company Considerations - Differences in Corporate Law."

Certain judgments obtained against us or our auditor by our shareholders may not be enforceable.

We are a British Virgin Islands company. Our operating subsidiaries were incorporated and are located in Malaysia. Substantially all of our assets are located outside of the United States. In addition, all of our current Directors and officers are nationals and residents of countries other than the United States and substantially all of the assets of these persons are located outside the United States. As a result, it may be difficult for a shareholder to effect service of process within the United States upon these persons or to enforce against us, our Directors and officers, or our auditor judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States. Even if you are successful in bringing an action of this kind, the laws of the British Virgin Islands and Malaysia may render you unable to enforce a judgment against our assets or the assets of our Directors and officers. For more information regarding the relevant laws of the British Virgin Islands and Malaysia, see "Enforceability of Civil Liabilities." As a result of all of the above, our shareholders may have more difficulties in protecting their interests through actions against us, our officers, Directors, or major shareholders, than would shareholders of a corporation incorporated in a jurisdiction in the United States.

We are an emerging growth company within the meaning of the Securities Act and may take advantage of certain reduced reporting requirements applicable to other public companies that are not emerging growth companies.

We are an "emerging growth company," as defined in the JOBS Act, and we may take advantage of certain exemptions from various requirements applicable to other public companies that are not emerging growth companies including, most significantly, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act for so long as we are an emerging growth company. As a result, if we elect not to comply with such auditor attestation requirements, our investors may not have access to certain information they may deem important.

The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the extended transition period, although we have adopted certain new and revised accounting standards based on transition guidance permitted under such standards earlier. As a result of this election, our future financial statements may not be comparable to other public companies that comply with the public company effective dates for these new or revised accounting standards.

We are a foreign private issuer within the meaning of the Exchange Act, and as such we are exempt from certain provisions applicable to United States domestic public companies.

Because we are a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing of quarterly reports on Form 10-Q or current reports on Form 8-K with the SEC;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material non-public information under Regulation FD.

We will be required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our financial results on a semi-annual basis through press releases distributed pursuant to the rules and regulations of the Nasdaq Capital Market. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you if you were investing in a U.S. domestic issuer.

We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses to us.

As discussed above, we are a foreign private issuer under the Exchange Act, and therefore, we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act. The determination of foreign private issuer status is made annually on the last Business Day of an issuer's most recently completed second fiscal quarter, and, accordingly, the next determination will be made with respect to us on December 31, 2026.

In the future, we would lose our foreign private issuer status if (1) more than 50% of our outstanding voting securities are owned by U.S. residents and (2) a majority of our Directors or executive officers are U.S. citizens or residents, or we fail to meet additional requirements necessary to avoid the loss of foreign private issuer status. If we lose our foreign private issuer status, we will be required to file with the SEC periodic reports and registration statements on U.S. domestic issuer forms, which are more detailed and extensive than the forms available to a foreign private issuer. We will also have to comply with U.S. federal proxy requirements. In addition, although, as a foreign private issuer, our directors and executive officers have recently become subject to the reporting requirements of Section 16(a) of the Exchange Act, they remain exempt from the short-swing profit recovery provisions of Section 16(b). If we lose our foreign private issuer status, our directors, executive officers and 10% shareholders would become fully subject to both the reporting and liability provisions of Section 16 of the Exchange Act, including the short-swing profit recovery provisions under Section 16(b). In addition, we will lose our ability to rely upon exemptions from certain corporate governance requirements under the listing rules of Nasdaq. As a U.S. listed public company that is not a foreign private issuer, we will incur significant additional legal, accounting, and other expenses that we will not incur as a foreign private issuer.

We will incur significantly increased costs and devote substantial management time as a result of the listing of our Class A Ordinary Shares on the Nasdaq Capital Market.

We will incur additional legal, accounting, and other expenses as a public reporting company, particularly after we cease to qualify as an emerging growth company. For example, we will be required to comply with the additional requirements of the rules and regulations of the SEC and Nasdaq rules, including applicable corporate governance practices. We expect that compliance with these requirements will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. In addition, we expect that our management and other personnel will need to divert attention from operational and other business matters to devote substantial time to these public company requirements. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidelines are provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may also initiate legal proceedings against us, and our business may be adversely affected.

ITEM 4. INFORMATION ON THE COMPANY

4.A. History and Development of the Company

Corporate Structure

Our company was incorporated in the British Virgin Islands on October 31, 2023, under the Companies Act as a business company with limited liability. The company is authorized to issue an unlimited number of Class A Ordinary Shares and Class B Ordinary Shares with no par value.

The chart below sets forth our corporate structure as of the date of this annual report:



Entities

A description of our principal operating subsidiaries is set forth below.

On June 11, 2018, Sagtec Group was incorporated in Malaysia as a private company limited by shares. On May 27, 2019, Sagtec Group changed its name from Signage Alliance Group Sdn Bhd to Sagtec Group Sdn Bhd. It commenced business on June 11, 2018 and is engaged in the provision of customizable software solutions. The solutions Sagtec Group provides include subscription services, software consultation and development services, social media management, data management and analysis services and sales of food ordering kiosks with screens. As part of a group reorganization on January 1, 2024, Sagtec Group became a subsidiary of our Company, with our ownership at 98.04%.

On February 14, 2019, CL Technologies was incorporated in Malaysia as a private company limited by shares. It commenced business on February 14, 2019 and is engaged in the customizable software solutions. The solutions CL Technologies provides include data management & analysis services and social media management. CL Technologies is also engaged in providing sales of power bank charging stations. As part of a group reorganization on January 1, 2024, CL Technologies became a subsidiary of our company, with our ownership at 94.95%.

Corporate Information

Sagtec Global Limited was incorporated in the British Virgin Islands as a British Virgin Islands business company on October 31, 2023, with BVI company number 2135152. Our registered office in the British Virgin Islands is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. Our principal executive office is at Lot 6-2, Level 9, Equatorial Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia. Our telephone number at this location is +603-3310 0089. Our principal website address is <https://www.sagtec-global.com/>. The information contained on our website does not form part of this annual report. Our agent for service of process in the United States is Cogency Global Inc., 122 E. 42nd Street, 18th Floor, New York, New York 10168.

4.B. Business Overview

Overview

Following the successful completion of the Company's Initial Public Offering ("IPO") in March 2025, the Company entered a pivotal phase of expansion, characterized by enhanced brand visibility, strengthened market credibility, and increased customer engagement. The IPO has significantly elevated the Company's profile both domestically and internationally, enabling it to deepen relationships with existing clients, attract new customers from Dubai, Indonesia, and Singapore, and expand its dealer network. This heightened market confidence has translated into broad-based growth across all major business segments.

Incorporated in Malaysia in 2018, the Company specializes in delivering customizable software solutions that integrate seamlessly with operational workflows, particularly within the food and beverage ("F&B") sector. Its flagship product, Speed+, serves as an intelligent platform for digital ordering and transaction management. Installed on Point of Sale ("POS") terminals sourced from reputable third-party suppliers, Speed+ enables efficient order processing and payment handling through a unified system. The Company also develops bespoke software solutions for table ordering, QR ordering, and self-service kiosk systems. For the years ended December 31, 2025, 2024 and 2023, revenue from Speed+ smart ordering and QR subscription services contributed 30.18%, 23.14% and 12.31% of total revenue, respectively, while software development services contributed 11.09%, 10.92% and 9.79%.

While the Company's core clientele remains within Malaysia's F&B industry, the adaptability of its solutions allows it to serve a broader range of sectors, including geotechnology, beauty, and property consulting. The integration of AI-driven F&B data analytics further enhances clients' business intelligence and decision-making capabilities. This flexibility and industry-specific customization have positioned the Company as a trusted technology partner beyond the F&B sector.

Complementing its software offerings, the Company also markets self-service food ordering kiosks designed to enhance customer experience and operational efficiency. These kiosks enable users to browse menus, customize orders, and complete payments seamlessly, while reducing labor dependency and improving service speed. For the years ended December 31, 2025, 2024 and 2023, kiosk sales accounted for 21.27%, 19.23% and 25.29% of total revenue, respectively, reflecting increasing adoption of automation within the F&B industry. In addition, the Company provides robotic arm solutions to further enhance operational efficiency and customer experience.

Beyond the F&B sector, the Company continues to support a diverse client base through its software consultation and development services, which remain central to its innovation strategy. Its in-house programming team, with a combined 14 years of technical expertise, develops scalable and comprehensive digital solutions. For more complex projects, the Company collaborates with specialized outsourcing partners to ensure optimal delivery. This hybrid approach enables the Company to effectively meet evolving client requirements.

Recognizing the growing importance of digital presence, the Company's social media management services have emerged as a key growth driver. The Company manages the online presence of Key Opinion Leaders ("KOLs") and influencers, leveraging data analytics and performance-driven content strategies to optimize engagement. To enhance campaign effectiveness, an AI-driven analytics module has been implemented to enable more precise audience profiling, trend forecasting, and database optimization. This allows for deeper insights into user behavior and more targeted content delivery. For the years ended December 31, 2025, 2024 and 2023, this segment contributed 8.19%, 9.26% and 9.50% of total revenue, respectively.

In addition, through its majority-owned subsidiary, CL Technologies, the Company deploys and operates power bank charging stations across more than 300 locations in Malaysia. This segment addresses the growing demand for portable charging solutions in high-traffic public areas such as shopping malls and parks. Revenue contribution from this segment was 13.46%, 21.82% and 23.44% for the years ended December 31, 2025, 2024 and 2023, respectively.

The Company also provides data management solutions that enable clients to organize, process, and analyze raw data into actionable business insights. These services enhance data accessibility and analytical capabilities, forming an integral part of the Company's ecosystem. For the years ended December 31, 2025, 2024 and 2023, data management services contributed 14.50%, 15.63% and 15.62% of total revenue, respectively.

The Company's financial performance reflects its strengthened post-IPO market position and consistent execution strategy. For the year ended December 31, 2023, our revenue was RM29,280,649 or \$7,214,648 and our net profit was RM4,656,301 or \$1,147,296. For the years ended December 31, 2024, we recorded total revenue of RM51,999,379 or \$12,812,462 and a net profit of RM7,165,510 or \$1,765,557. In comparison, for the year ended December 31, 2025, revenue surged to RM77,510,474 or \$19,098,306 while net profit climbed to RM7,294,213 or \$1,797,268 representing a 49% increase in revenue and 2% growth in net profit.

For the year ended December 31, 2023, our cost of sales was RM21,112,777 or \$5,202,113. The cost of sales rose in tandem with higher business activity, from RM39,841,428 or \$9,816,786 in the year ended December 31, 2024 to RM59,885,461 or \$14,755,566 in the year ended December 31, 2025, driven by scaling of operations and expansion into new market segments.

Recent Developments

On March 10, 2025, the Company completed its initial public offering on the Nasdaq Capital Market. In this offering, 1,750,000 Class A Ordinary Shares (formerly ordinary shares of no par value) were issued at a price of \$4.00 per share. The gross proceeds received from the initial public offering totaled \$7 million. After deducting underwriting discounts and the offering expenses the Company received net proceeds of \$5,990,381.96 million. The offering closed on March 10, 2025 and the Class A Ordinary Shares (formerly ordinary shares of no par value) began trading on March 7, 2025 on the Nasdaq Capital Market under the ticker symbol "SAGT."

On May 5, 2025, the Company entered into a Master Dealer Agreement with SMD TECH - FZCO ("SMD TECH"), appointing SMD TECH as the exclusive master dealer for the Company's Speed+ Cloud Base Smart Ordering System in Dubai. Under the Master Dealer Agreement, SMD TECH has committed to a minimum annual purchase of 10,000 licenses of Speed+ software, maintain an adequate business venue and storage facility, employ competent sales staff to solicit orders and provide excellent customer service, provide training for safe product operation, and act as an intermediary between end users and the Company for inquiries or concerns. The Master Dealer Agreement will remain in effect till December 31, 2025, and will automatically renew for an additional one-year term unless either party notifies the other party in writing at least fifteen (15) calendar days of prior.

On May 16, 2025, Mr. Lai Fuu Sing tendered his resignation as an independent director, Chair of the Audit Committee, and member of the Compensation and Nomination Committee of the Company, effective May 16, 2025. Mr. Lai Fuu Sing's resignation was not a result of any disagreement with the Company's operations, policies or procedures. On May 16, 2025, approved by the Board of Directors, the Nominating Committee and the Compensation Committee, Mr. Chen Xiang Foong was appointed as an independent director and the Chair of the Audit Committee of the Company, effective May 16, 2025.

On May 16, 2025, Ms. Pang Seng Wee tendered her resignation as an independent director, Chair of the Compensation Committee, and member of the Audit and Nomination Committee of the Company, effective May 16, 2025. Ms. Pang Seng Wee's resignation was not a result of any disagreement with the Company's operations, policies or procedures. On May 16, 2025, approved by the Board of Directors, the Nominating Committee and the Compensation Committee, Ms. Elain binti Lockman was appointed as the director and the Chair of the Compensation Committee of the Company, effective May 16, 2025.

On August 15, 2025, the Company announced via press release that it has entered into an IT Consultancy Agreement on August 13, 2025, with Malaya Heritage Holding Limited, where the Company will provide consultancy and development of a customized F&B Outlet Management System, Service Robotic Technology for F&B operations, and Central Kitchen Automation Robotic Systems for Malaya Heritage Holding Limited.

On September 30, 2025 the Company held its 2025 extraordinary general meeting of the shareholders, wherein a dual-class share structure and the creation of two new classes of shares was approved. Class A Ordinary Shares carry one (1) vote per share, while Class B Ordinary Shares carry twenty (20) votes per share and rank parri passu as to distributions (including on a liquidation). Additionally, it was also approved that 2,000,000 Ordinary Shares held by Ng Chen Lok were redesignated as Class B Ordinary Shares, and his remaining ordinary shares were redesignated as Class A Ordinary Shares.

On August 21, 2025, the Company entered into a licensing and technology collaboration agreement (the "Licensing Agreement") with Kinetic Seas Incorporated ("Kinetic Seas") wherein the Company obtained rights to utilize Kinetic Seas' Skilliks platform and AI technologies, and the parties agreed to jointly develop and commercialize AI and enterprise software solutions for Sagtec's current and prospective client base.

On January 5, 2026, the Company entered into a software development agreement with Grandpride Luxury Travel Sdn. Bhd., pursuant to which the Company will design, develop and deliver a software system known as the Smart AI E-Hailing & Car Rental and Subscription System / Program for Grandpride Luxury Travel Sdn. Bhd.

On January 14, 2026, Mr. Robert M. Harrison tendered his resignation as an independent director, Chair of the Nomination Committee, and member of the Audit and Compensation Committee of the Company, effective January 14, 2026. Mr. Robert M. Harrison’s resignation was not a result of any disagreement with the Company’s operations, policies or procedures. On May 16, 2025, approved by the Board of Directors, the Nominating Committee and the Compensation Committee, Mr. Ng Aik Soon was appointed as the director and the Chair of the Nomination Committee of the Company, effective January 14, 2026.

On January 20, 2026, the Company entered into a project funding agreement with a local property developer in Malaysia in connection with a residential township development comprising 84 townhouse units. Pursuant to the project funding agreement, the Company has committed project funding of approximately RM7.6 million (approximately US\$1.93 million), subject to agreed drawdown conditions, to support a defined phase of the development. Repayment of the funding is structured through the transfer of specified completed residential units and/or cash settlement, calculated by reference to the realized or assessed sale value of comparable units within the project.

On January 28, 2026, the Company adopted a 2026 equity incentive plan (the “2026 Plan”) to motivate, attract and retain directors, consultants or key employees to exert their best efforts on behalf of the Company and link their personal interests to those of the Company’s shareholders. The 2026 Plan has a maximum number of 1,965,000 Class A Ordinary Shares of the Company available for issuance pursuant to all awards under the 2026 Plan.

Our Products and Services

For the year ended December 31, 2025, our top 3 categories of sales were subscription services, food ordering kiosk with screen and data management and analysis services, which accounted for RM23,393,531 (USD5,764,082), RM16,483,810 (USD4,061,553), and RM11,237,232 (USD2,768,814) respectively.

The diagrams below illustrate the suite of solutions which we currently offer.

Speed+ Solution:



Our company has developed the Speed+ “Smart Mobile Ordering” System, which is a user-friendly, cloud-based solution that allows customers to manage their business from anywhere with internet access. It offers integrated software and hardware features with a monthly subscription, eliminating the need for high investment and complex installations. At less than RM5 per day, it provides a cost-effective solution for the F&B industry to improve their technology environment, reduce human error, and enhance daily operations. This positions Speed+ to continue to grow business in the F&B market.

The Speed+ system is a comprehensive solution for businesses, offering a range of features including Store, Table, Item, Category, Device, POS, Printer, Order, Staff Management, and Admin and Manager Settings. It provides various products such as the “Smart Ordering System”, “QR Code Table Ordering System”, “Ordering & E-Payment Solutions”, “Light version Delivery Order System”, and “Self Ordering Kiosk Machine & Software”. Additionally, it offers customized software application development. This cloud-based system allows users to manage their business from anywhere, making it a cost-effective and efficient solution for the F&B industry.

Software Consultation and Development Services

Our Company also provides software consultation and development services, which includes developing office management and customized application software. To start, we usually consult with our customers to ensure that their requirements and needs are understood and addressed, before proposing various solutions based on the consultation. For our customized application software, we can provide customized corporate application development with an associated dedicated server set-up, with features such as remote access to data storage and corporate management. Regarding our office management software, we also develop server storage and firewall infrastructure, software security, PHP web-based back-end development, and app-based front-end development. Our various options and features allow us to provide customized solutions to accurately address our customers' requirements.

Data Management and Analysis Services

Additionally, our Company provides data management and analysis services for various customers, which includes the processing of data in accordance with the appropriate technical and organizational measures to ensure minimal security risks. Our job scope usually entails raster data editing, modifying images that are composed of pixels to specific resolutions to meet our customer's requirements. This involves generating, modifying, and creating natural color metadata to produce an image with seamless color balance, while ensuring that the image is in the specific format requested by our customers.

Functionality Testing, Inspection of Equipment and Quality Control

Our company has established a quality control and assurance system for our technological solutions. We define specific criteria to determine quality benchmarks, while also implementing weekly 'stress tests' on our products and technological solutions to help identify defects, deviations from quality standards, and any need for corrective actions. Additionally, we also train our employees on quality standards, procedures, and best practices, to ensure that team members understand their roles in maintaining the highest standards set by our Company.

In selecting our suppliers, we also evaluate and select reliable suppliers with a proven track record in the market who can meet our quality standards, while continuing to monitor their performance throughout the duration of our contracts with them. Lastly, we have also implemented feedback loops for continuous improvement, collecting feedback from our customers, employees and stakeholders to identify areas of improvement, and ensuring that changes are made to maintain our quality standards.

Our Customers

Our customers can be categorized into two groups, (i) direct customers, who purchase our technological solutions directly from us and (ii) distributors and resellers, who procure our technological solutions from us for resale to end user customers. Our end user customers operate in various industries which range from retail shops in both online and offline formats, small and medium enterprises, and large corporate clients. Our customers who are distributors and resellers usually specialize in software distribution, with large networks of customers with varying backgrounds, while further possessing experience which we can learn from through obtaining their feedback. Our company places great emphasis on customer satisfaction, as we believe that this is the cornerstone of successful businesses, directly impacting loyalty, repeat business, and overall company reputation.

Our customers include both enterprises and individuals. We have derived a substantial portion of our revenue from sales to a limited number of customers. For the years ended December 31, 2025, 2024 and 2023, our top five customers accounted for 71.12%, 71.63% and 63.63% of our total revenue, respectively, with Rams Solutions Sdn Bhd, KLC Ventures Sdn Bhd. and SM Prominent Sdn Bhd comprising 12.16%, 19.23% and 25.96% for the year ended December 31, 2025, Rams Solutions Sdn Bhd, KLC Ventures Sdn Bhd. and SM Prominent Sdn Bhd comprising 24.20%, 12.89% and 24.26% for the year ended December 31, 2024, KLC Ventures Sdn Bhd, SM Prominent Sdn Bhd and RAMS Solutions Sdn Bhd comprising 16.80%, 17.00% and 13.66% for the year ended December 31, 2023.

Although we continually seek to diversify our customer base, we cannot assure you that the proportion of revenue contribution from our major customers to our total revenue will decrease in the future. Dependence on a limited number of major customers to our total revenue exposes us to risks of substantial losses if any of them reduces or ceases business collaboration with us. Specifically, any one of the following events, among others, may cause material fluctuations or declines in our revenue, and have a material and adverse effect on our business, results of operations, financial condition and prospects.

Material agreements with customers

As of the date of this annual report, we have entered into the following material contracts with our top customers below:

(a) *Software Development Agreement, Data Management Service Agreement, Social Media Management Agreement, Power Bank Charging Station Agreement and Food Ordering Kiosk Agreement with Rams Solutions Sdn Bhd*

I. Data Management Agreement dated March 01, 2025 with Rams Solutions Sdn Bhd

Rams Solutions Sdn Bhd engaged CL Technologies for the processing and management of personal data in accordance with the requirements of General Data Protection Regulations. The Data Management Agreement is on an invoice basis and does not specify the term or duration of the Data Management Agreement. The material terms of the contract are as follows:

- i. Responsibilities: CL Technologies will provide the relevant data management and processing services in accordance with ongoing applicable Data Protection Laws in the processing of personal data and will take responsible measures to ensure that any employees, agents or contractors of CL Technologies who have access to personal data will comply in a similar manner as CL Technologies with any ongoing applicable Data Protection Laws.
- ii. Data Security and Subprocessing: CL Technologies will implement appropriate technical and organizational measures to ensure a level of security appropriate to mitigate security risks, while also establishing processes to remedy any data breach. CL Technologies will not disclose any personal data to any third party subprocessor unless authorized by Rams Solutions Sdn Bhd
- iii. Data Breach: In the event of a data breach, CL Technologies will inform Rams Solutions Sdn Bhd of the breach without any undue delay and will provide Rams Solutions Sdn Bhd with sufficient information for its reporting obligations.
- iv. Termination: Either party may terminate the Agreement with 7 days of written notice with cause, in the event the cause of the breach cannot be remedied. Either party may terminate the Agreement in the event of insolvency or bankruptcy. In the event of termination, CL Technologies shall delete all copies of personal data within 10 business days of cessation of services.

II. Software Development Agreement dated May 2, 2025 with Rams Solutions Sdn Bhd

Rams Solutions Sdn Bhd engaged CL Technologies to develop office management software. The key terms of the contract are as follows:

- i. Scope of Work and Duration: The duration of the contract is effective from the date of signature till satisfactory project completion. Any additional work outside the original scope will require a formal change request with a detailed description of requested changes. CL Technologies is responsible for:
 - Design and development of the software according to milestones
 - Performing multiple testing for quality assurance
 - Providing implementation support and training sessions after delivery
 - Providing regular process updates and milestone reports
 - Providing 30 days of post-delivery maintenance and support

- ii. Intellectual Property: All rights, titles, and IP rights will be transferred to Rams Solutions Sdn Bhd upon full payment, with CL Technologies retaining the right to showcase the software for portfolio/marketing purposes. Rams Solutions Sdn Bhd will also receive a perpetual, non-exclusive license for internal use and the source code upon final payment, with the right to modify and enhance the software independently.
- ii. Warranty and Support: CL Technologies warrants that the software will operate in accordance with required specifications and will provide a 30-day bug fix period after final delivery where prompt fixes and updates will be made to any report bugs or issues, provided that the description of the bugs contain sufficient information.
- iv. Termination: Either party can terminate for convenience upon 7 days written notice, while immediate termination is allowed for material breaches including confidentiality breaches, payment failures and intellectual property violations. Upon termination, if Rams Solutions Sdn Bhd terminates, CL Technologies must refund unearned fees for work not performed, while if CL Technologies terminates, Rams Solutions Sdn Bhd must pay for all completed work and expenses. After termination, Rams Solutions Sdn Bhd is obliged to return all deliverables, documentation, and materials, and cannot retain copies of any materials.

III. Powerbank Charging Station Invoice dated May 5, 2025 with Rams Solutions Sdn Bhd

For Powerbank Charging Station invoices, CL Technologies engages with each customer on an invoice basis to provide powerbank charging stations according to the customer's specifications, with 30 days credit terms. There is no underlying contract between the Company and Rams Solutions Sdn Bhd, and all orders are done on an invoice basis with no specified term or duration.

IV. Social Media Management Agreement dated January 1, 2025 with Rams Solutions Sdn Bhd

Rams Solutions Sdn Bhd engaged CL Technologies to provide social media management services. The Social Media Management Agreement is on an invoice basis and does not specify the term or duration of the Social Media Management Agreement. The material terms of the contract are as follows:

- i. Scope of Work: CL Technologies shall schedule and post content provided by Rams Solutions Sdn Bhd to Rams Solutions Sdn Bhd's social media channels including those on Facebook, Instagram, LinkedIn, Tiktok, Twitter, Google and Youtube and Sagtec is responsible for:
 - Social media engagements such as replying to comments, voting polls and direct messages.
 - Social media monitoring of activities, mentions and conversations around Rams Solutions Sdn Bhd and Rams Solutions Sdn Bhd's brand, products and services.
 - Promoting blogposts and analyzing social media reports and results from campaigns.
- ii. Copyright and Intellectual Property: All content created by CL Technologies including social media posts, blog posts, designs, videos and images shall be owned by Rams Solutions Sdn Bhd.
- iii. Termination: Either party may terminate the Agreement with 7 days of written notice in the event of a breach of terms of the agreement. Upon termination, CL Technologies agrees to finish all pending works, projects or assignments given to the Company by CL Technologies and permanently delete all information or programs related to Rams Solutions Sdn Bhd.

V. Food Ordering Kiosk Invoice dated February 25, 2025 with Rams Solutions Sdn Bhd

For Food Ordering Kiosk invoices, Sagtec Group engages with each customer on an invoice basis to provide food ordering kiosks according to the customer's specifications with a warranty period of 12 months, with 30 days credit terms.

(b) *Data Management Service Agreement, Social Media Management Agreement, Food Ordering Kiosk Agreement, Speed+ Smart Mobile Pos Agreement, Speed + Mobile QR Ordering Agreement, Software Development Agreement and AI Service Robotic Machine Rental Agreement with KLC Ventures Sdn Bhd*

I. Data Management Agreement dated January 1, 2024 with KLC Ventures Sdn Bhd

KLC Ventures Sdn Bhd engaged Sagtec Group for the processing and management of personal data in accordance with the requirements of General Data Protection Regulations. The Data Management Agreement is on an invoice basis and does not specify the term or duration of the Data Management Agreement. The material terms of the contract are as follows:

- i. Responsibilities: Sagtec Group will provide the relevant data management and processing services in accordance with ongoing applicable Data Protection Laws in the processing of personal data and will take responsible measures to ensure that any employees, agents or contractors of Sagtec Group who have access to personal data will comply in a similar manner as Sagtec Group with any ongoing applicable Data Protection Laws.
- ii. Data Security and Subprocessing: Sagtec Group will implement appropriate technical and organizational measures to ensure a level of security appropriate to mitigate security risks, while also establishing processes to remedy any data breach. Sagtec Group will not disclose any personal data to any third party subprocessor unless authorized by KLC Ventures Sdn Bhd.
- iii. Data Breach: In the event of a data breach, Sagtec Group will inform KLC Ventures Sdn Bhd of the breach without any undue delay and will provide KLC Ventures Sdn Bhd with sufficient information for its reporting obligations.
- iv. Termination: Either party may terminate the Agreement with 7 days of written notice with cause, in the event the cause of the breach cannot be remedied. Either party may terminate the Agreement in the event of insolvency or bankruptcy. In the event of termination, Sagtec Group shall delete all copies of personal data within 10 business days of cessation of services.

II. Social Media Management Agreement dated January 1, 2024 with KLC Ventures Sdn Bhd

KLC Ventures Sdn Bhd engaged Sagtec Group to provide social media management services. The Social Media Management Agreement is on an invoice basis and does not specify the term or duration of the Social Media Management Agreement. The material terms of the contract are as follows:

- i. Scope of Work: Sagtec Group shall schedule and post content provided by KLC Ventures Sdn Bhd to KLC Ventures Sdn Bhd's social media channels including those on Facebook, Instagram, LinkedIn, Tiktok, Twitter, Google and Youtube and Sagtec is responsible for:
 - Social media engagements such as replying to comments, voting polls and direct messages.
 - Social media monitoring of activities, mentions and conversations around KLC Ventures Sdn Bhd and KLC Ventures Sdn Bhd's brand, products and services.
 - Promoting blogposts and analyzing social media reports and results from campaigns.
- ii. Copyright and Intellectual Property: All content created by Sagtec Group including social media posts, blog posts, designs, videos and images shall be owned by KLC Ventures Sdn Bhd.
- iii. Termination: Either party may terminate the Agreement with 7 days of written notice in the event of a breach of terms of the agreement. Upon termination, Sagtec Group agrees to finish all pending works, projects or assignments given to the Company by Sagtec Group and permanently delete all information or programs related to KLC Ventures Sdn Bhd.

III. Software Development Agreement dated August 2, 2025 with KLC Ventures Sdn Bhd

KLC Ventures Sdn Bhd engaged Sagtec Group to develop office management software. The key terms of the contract are as follows:

- i. Scope of Work and Duration: The duration of the contract is effective from the date of signature till satisfactory project completion. Any additional work outside the original scope will require a formal change request with a detailed description of requested changes. Sagtec Group is responsible for:
 - Design and development of the software according to milestones

- Performing multiple testing for quality assurance
 - Providing implementation support and training sessions after delivery
 - Providing regular process updates and milestone reports
 - Providing 30 days of post-delivery maintenance and support
- ii. Intellectual Property: All rights, titles, and IP rights will be transferred to KLC Ventures Sdn Bhd upon full payment, with Sagtec Group retaining the right to showcase the software for portfolio/marketing purposes. KLC Ventures Sdn Bhd will also receive a perpetual, non-exclusive license for internal use and the source code upon final payment, with the right to modify and enhance the software independently.
- iii. Warranty and Support: Sagtec Group warrants that the software will operate in accordance with required specifications and will provide a 30-day bug fix period after final delivery where prompt fixes and updates will be made to any report bugs or issues, provided that the description of the bugs contain sufficient information.
- iv. Termination: Either party can terminate for convenience upon 7 days written notice, while immediate termination is allowed for material breaches including confidentiality breaches, payment failures and intellectual property violations. Upon termination, if KLC Ventures Sdn Bhd terminates, Sagtec Group must refund unearned fees for work not performed, while if Sagtec Group terminates, KLC Ventures Sdn Bhd must pay for all completed work and expenses. After termination, KLC Ventures Sdn Bhd is obliged to return all deliverables, documentation, and materials, and cannot retain copies of any materials.

IV. Food Ordering Kiosk Invoice dated December 5, 2025 with KLC Ventures Sdn Bhd

For Food Ordering Kiosk invoices, Sagtec Group engages with each customer on an invoice basis to provide food ordering kiosks according to the customer's specifications with a warranty period of 12 months, with 30 days credit terms.

V. Speed + Mobile QR Ordering System Invoice dated December 1, 2025 with KLC Ventures Sdn Bhd

For Speed + Mobile QR Ordering System invoices, Sagtec Group engages with each customer on an invoice basis to provide Speed + Mobile QR Ordering Systems according to the customer's specifications, with 30 days credit terms.

VI. Speed + Smart Mobile Pos Invoice dated December 1, 2025 with KLC Ventures Sdn Bhd

For Speed + Smart Mobile Pos invoices, Sagtec Group engages with each customer on an invoice basis to provide Speed + Smart Mobile Pos according to the customer's specifications, with 30 days credit terms.

VII. AI Service Robotic Machine Rental Agreement dated August 1, 2025 with KLC Ventures Sdn Bhd

KLC Ventures Sdn Bhd engaged Sagtec Global to rent the AI Service Robotic Machines (Food & Beverage AI Robotic Kiosk – Coffee). The key terms of the contract are as follows:

- i. Rental Term: The agreement shall commence on August 1, 2025 and shall continue unless terminated in accordance with this Agreement. Rental shall be charged on a monthly basis.
- ii. Rental Fee: Rental rate is RM3,800 per unit per month. The total monthly rental payable shall be calculated based on the quantity of machines rented for that month.

- iii. Delivery and Acceptance: Sagtec Global shall arrange delivery and installations at locations mutually agreed. Risk of loss or damage passes to KLC Ventures Sdn Bhd upon delivery.
 - iv. Maintenance and use: Sagtec Global shall provide standard maintenance and technical support during the renter period. KLC Ventures Sdn Bhd shall use the equipment in accordance with operational guideline, ensure proper power supply and safe operating environment and not relocate, modify or tamper with the equipment without written consent. Any damage arising from misuse, negligence or unauthorized modification shall be borne by KLC Ventures Sdn Bhd.
 - v. Ownership: All rented equipment remains the sole property of Sagtec Global.
 - vi. Termination: Either party can terminate for convenience upon 30 days written notice. Upon termination, all outstanding invoices shall become immediately due and Sagtec Global may repossess the equipment.
- (c) *Food Ordering Kiosk Agreement, Power Bank Charging Station Agreement, Speed + Mobile QR Ordering System Agreement, Speed+ Smart Mobile Pos Agreement, Social Media Management Agreement, Data Management Agreement, Software Development Agreement and AI Service Robotic Machine Rental Agreement with SM Prominent Sdn Bhd*

I. Food Ordering Kiosk Invoice dated September 13, 2025 with SM Prominent Sdn Bhd

For Food Ordering Kiosk invoices, Sagtec Global engages with each customer on an invoice basis to provide food ordering kiosks according to the customer's specifications with a warranty period of 12 months, with 30 days credit terms.

II. Powerbank Charging Station Invoice dated October 16, 2025 with SM Prominent Sdn Bhd

For Powerbank Charging Station invoices, CL Technologies engages with each customer on an invoice basis to provide powerbank charging stations according to the customer's specifications, with 30 days credit terms. There is no underlying contract between the Company and SM Prominent Sdn Bhd, and all orders are done on an invoice basis with no specified term or duration.

III. Software Development Agreement dated September 1, 2025 with SM Prominent Sdn Bhd

SM Prominent Sdn Bhd engaged Sagtec Global to develop office management software. The key terms of the contract are as follows:

- i. **Scope of Work and Duration:** The duration of the contract is effective from the date of signature till satisfactory project completion. Any additional work outside the original scope will require a formal change request with a detailed description of requested changes. Sagtec Global is responsible for:
 - Design and development of the software according to milestones
 - Performing multiple testing for quality assurance
 - Providing implementation support and training sessions after delivery
 - Providing regular process updates and milestone reports
 - Providing 30 days of post-delivery maintenance and support
- ii. **Intellectual Property:** All rights, titles, and IP rights will be transferred to SM Prominent Sdn Bhd upon full payment, with Sagtec Global retaining the right to showcase the software for portfolio/marketing purposes. SM Prominent Sdn Bhd will also receive a perpetual, non-exclusive license for internal use and the source code upon final payment, with the right to modify and enhance the software independently.
- iii. **Warranty and Support:** Sagtec Global warrants that the software will operate in accordance with required specifications and will provide a 30-day bug fix period after final delivery where prompt fixes and updates will be made to any report bugs or issues, provided that the description of the bugs contain sufficient information.
- iv. **Termination:** Either party can terminate for convenience upon 7 days written notice, while immediate termination is allowed for material breaches including confidentiality breaches, payment failures and intellectual property violations. Upon termination, if SM Prominent Sdn Bhd terminates, Sagtec Global must refund unearned fees for work not performed, while if Sagtec Global terminates, SM Prominent Sdn Bhd must pay for all completed work and expenses. After termination, SM Prominent Sdn Bhd is obliged to return all deliverables, documentation, and materials, and cannot retain copies of any materials.

IV. Speed + Mobile QR Ordering System Invoice dated December 1, 2025 with SM Prominent Sdn Bhd

For Speed + Mobile QR Ordering System invoices, Sagtec Global engages with each customer on an invoice basis to provide Speed + Mobile QR Ordering Systems according to the customer's specifications, with 30 days credit terms.

V. Speed + Smart Mobile Pos Invoice dated December 1, 2025 with SM Prominent Sdn Bhd

For Speed + Smart Mobile Pos invoices, Sagtec Global engages with each customer on an invoice basis to provide Speed + Smart Mobile Pos according to the customer's specifications, with 30 days credit terms.

VI. Social Media Management Agreement dated September 1, 2024 with SM Prominent Sdn Bhd

SM Prominent Sdn Bhd engaged Sagtec Group to provide social media management services. The Social Media Management Agreement is on an invoice basis and does not specify the term or duration of the Social Media Management Agreement. The material terms of the contract are as follows:

- i. **Scope of Work:** Sagtec Group shall schedule and post content provided by SM Prominent Sdn Bhd to SM Prominent Sdn Bhd's social media channels including those on Facebook, Instagram, LinkedIn, Tiktok, Twitter, Google and Youtube and Sagtec is responsible for:
 - Social media engagements such as replying to comments, voting polls and direct messages.
 - Social media monitoring of activities, mentions and conversations around SM Prominent Sdn Bhd and SM Prominent Sdn Bhd's brand, products and services.
 - Promoting blogposts and analyzing social media reports and results from campaigns.

- ii. Copyright and Intellectual Property: All content created by Sagtec Group including social media posts, blog posts, designs, videos and images shall be owned by SM Prominent Sdn Bhd.
- iii. Termination: Either party may terminate the Agreement with 7 days of written notice in the event of a breach of terms of the agreement. Upon termination, Sagtec Group agrees to finish all pending works, projects or assignments given to the Company by Sagtec Group and permanently delete all information or programs related to SM Prominent Sdn Bhd.

VII. Data Management Agreement dated October 1, 2024 with SM Prominent Sdn Bhd

SM Prominent Sdn Bhd engaged Sagtec Group for the processing and management of personal data in accordance with the requirements of General Data Protection Regulations. The Data Management Agreement is on an invoice basis and does not specify the term or duration of the Data Management Agreement. The material terms of the contract are as follows:

- i. Responsibilities: Sagtec Group will provide the relevant data management and processing services in accordance with ongoing applicable Data Protection Laws in the processing of personal data and will take responsible measures to ensure that any employees, agents or contractors of Sagtec Group who have access to personal data will comply in a similar manner as Sagtec with any ongoing applicable Data Protection Laws.
- ii. Data Security and Subprocessing: Sagtec Group will implement appropriate technical and organizational measures to ensure a level of security appropriate to mitigate security risks, while also establishing processes to remedy any data breach. Sagtec Group will not disclose any personal data to any third party subprocessor unless authorized by SM Prominent Sdn Bhd.
- iii. Data Breach: In the event of a data breach, Sagtec Group will inform SM Prominent Sdn Bhd of the breach without any undue delay and will provide SM Prominent Sdn Bhd with sufficient information for its reporting obligations.
- iv. Termination: Either party may terminate the Agreement with 7 days of written notice with cause, in the event the cause of the breach cannot be remedied. Either party may terminate the Agreement in the event of insolvency or bankruptcy. In the event of termination, Sagtec Group shall delete all copies of personal data within 10 business days of cessation of services.

VIII. AI Service Robotic Machine Rental Agreement dated September 1, 2025 with SM Prominent Sdn Bhd

SM Prominent Sdn Bhd engaged Sagtec Global to rent the AI Servie Robotic Machines (Food & Beverage AI Robotic Kiosk – Coffee). The key terms of the contract are as follows:

- i. Rental Term: The agreement shall commence on August 1, 2025 and shall continue unless terminated in accordance with this Agreement. Rental shall be charged on a monthly basis.
- ii. Rental Fee: Rental rate is RM3,800 per unit per month. The total monthly rental payable shall be calculated based on the quantity of machines rented for that month.
- iii. Delivery and Acceptance: Sagtec Global shall arrange delivery and installations at locations mutually agreed. Risk of loss or damage passes to SM Prominent Sdn Bhd upon delivery.

- iv. Maintenance and use: Sagtec Global shall provide standard maintenance and technical support during the renter period. KLC Prominent Sdn Bhd shall use the equipment in accordance with operational guideline, ensure proper power supply and safe operating environment and not relocate, modify or tamper with the equipment without written consent. Any damage arising from misuse, negligence or unauthorized modification shall be borne by SM Prominent Sdn Bhd.
- v. Ownership: All rented equipment remains the sole property of Sagtec Global.
- vi. Termination: Either party can terminate for convenience upon 30 days written notice. Upon termination, all outstanding invoices shall become immediately due and Sagtec Global may repossess the equipment.

In summary, our contracts for the provision of our products and services contain standard terms providing for the responsibilities of each party, confidentiality and data protection clauses, as well as clauses which provide for when termination rights of each party will arise. For example, our data management contracts contain terms which provide for the necessary technical and organizational security measures, while implementing procedures targeted at risks associated with data breaches, while our social media management contracts contain terms providing for the scheduling and posting of content to our customers' social media channels, as well as providing social media engagement, monitoring and analysis services.

Our Suppliers

Our suppliers are vendors who provide us with Point of Sale (POS) machines, which we install our Speed+ software prior to leasing to our clients. We place great importance in supplier selection, ensuring that we receive reliable equipment and constant access for troubleshooting potential hardware issues. For the year ended December 31, 2025, two vendors accounted for 23.57% and 37.62% of our cost of sales, for the year ended December 31, 2024, two vendors accounted for 34.39% and 26.49% of our cost of sales, for the year ended December 31, 2023, two vendors accounted for 30.69% and 49.04% of our cost of sales.

Although we continually seek to diversify our supplier base, we cannot assure you that we will be able to source for suppliers who are able to provide comparable products at a similar cost. Should any of our suppliers reduce or cease business collaboration with us, this may cause material fluctuations or declines in our revenue and have a material and adverse effect on our business, results of operations, financial condition and prospects.

Material agreements with suppliers

As of the date of this annual report, we have entered into the following material contracts with our top two suppliers and their projects:

(a) Product Sales Agreement with ShenZhen Yibaite Software Co. Ltd dated August 1, 2024

Sagtec Global entered into a Product Sales Agreement with ShenZhen Yibaite Software Co. Ltd for the purchase of servers. The Product Sales Agreement does not specify the term or duration of the Product Sales Agreement. The key terms of the contracts are as follows:

- i. Delivery: Full payment from Sagtec Global is required upon delivery and for title to be transferred, with an invoice being provided upon delivery. Upon shipment of the products, all risk will be transferred to Sagtec Global.
- ii. Disclaimer of Warranties: Products are sold 'as-is' and all warranties are disclaimed, whether express or implied.
- iii. Default: The following occurrences shall constitute a default after 7 days written notice from ShenZhen Yibaite Software Co. Ltd to Sagtec Global, and ShenZhen Yibaite Software Co. Ltd is entitled to pursue all remedies in law and/or in equity. The Agreement is not subject to cancellation unless by mutual written agreement by the parties.
 - Failure to perform obligations
 - Customer bankruptcy/insolvency
 - Failure to pay amounts due
- iv. Termination: Should Sagtec Global use the product for any other reason than as specified under the Product Sales Agreement, the Product Sales Agreement will be null and void, and Sagtec Global's right to use the product will cease immediately without any action from ShenZhen Yibaite Software Co. Ltd.

(b) Product Sales Agreement with ShenZhen Yibaite Software Co. Ltd dated March 1, 2022

Sagtec Group entered into a Product Sales Agreement with ShenZhen Yibaite Software Co. Ltd for the purchase of servers and food ordering kiosk machines. The Product Sales Agreement does not specify the term or duration of the Product Sales Agreement. The key terms of the contracts are as follows:

- i. Delivery: Full payment from Sagtec Group is required upon delivery and for title to be transferred, with an invoice being provided upon delivery. Upon shipment of the products, all risk will be transferred to Sagtec Group.
- ii. Disclaimer of Warranties: Products are sold 'as-is' and all warranties are disclaimed, whether express or implied.
- iii. Default: The following occurrences shall constitute a default after 7 days written notice from ShenZhen Yibaite Software Co. Ltd to Sagtec Group, and ShenZhen Yibaite Software Co. Ltd is entitled to pursue all remedies in law and/or in equity. The Agreement is not subject to cancellation unless by mutual written agreement by the parties.
 - Failure to perform obligations
 - Customer bankruptcy/insolvency
 - Failure to pay amounts due
- iv. Termination: Should Sagtec Group use the product for any other reason than as specified under the Product Sales Agreement, the Product Sales Agreement will be null and void, and Sagtec Group's right to use the product will cease immediately without any action from ShenZhen Yibaite Software Co. Ltd.

(c) Product Sales Agreement with ShenZhen Yibaite Software Co. Ltd dated April 1, 2022

CL Technologies entered into a Product Sales Agreement with ShenZhen Yibaite Software Co. Ltd for the purchase of servers and power bank charging stations. The Product Sales Agreement does not specify the term or duration of the Product Sales Agreement. The key terms of the contracts are as follows:

- i. Delivery: Full payment from CL Technologies is required upon delivery and for title to be transferred, with an invoice being provided upon delivery. Upon shipment of the products, all risk will be transferred to CL Technologies.
- ii. Disclaimer of Warranties: Products are sold 'as-is' and all warranties are disclaimed, whether express or implied.

Default: The following occurrences shall constitute a default after 7 days written notice from ShenZhen Yibaite Software Co. Ltd to CL Technologies, and ShenZhen Yibaite Software Co. Ltd is entitled to pursue all remedies in law and/or in equity. The Agreement is not subject to cancellation unless by mutual written agreement by the parties.

- Failure to perform obligations
 - Customer bankruptcy/insolvency
 - Failure to pay amounts due
- iv. Termination: Should Sagtec use the product for any other reason than as specified under the Product Sales Agreement, the Product Sales Agreement will be null and void, and Sagtec's right to use the product will cease immediately without any action from ShenZhen Yibaite Software Co. Ltd.

(d) Sales Agreements with ShenZhen Adkiosk Technology Co. Ltd dated April 1, 2021

CL Technologies entered into a Sales Agreement with ShenZhen Adkiosk Technology Co. Ltd for the purchase of powerbank charging stations and servers. The Sales Agreement does not specify the term or duration of the Sales Agreement. The key terms of the contracts are as follows:

- i. Delivery: ShenZhen Adkiosk Technology Co. Ltd will deliver the goods to CL Technologies's office address. Delivery is deemed accepted upon CL Technologies's acceptance. ShenZhen Adkiosk Technology Co. Ltd will provide an invoice at delivery. CL Technologies must pay in full before delivery but can inspect goods upon delivery. If unacceptable, CL Technologies must reject the goods within 5 business days. Title to the goods remains with ShenZhen Adkiosk Technology Co. Ltd until CL Technologies accepts delivery. Risk of loss remains with ShenZhen Adkiosk Technology Co. Ltd, who must maintain insurance on the goods until CL Technologies accepts delivery.
- ii. Disclaimer of Warranties: Products are sold 'as-is' and all warranties are disclaimed, whether express or implied.
- iii. Excuse for Delay or Failure to Perform: ShenZhen Adkiosk Technology Co. Ltd is not liable for delays or failure to perform due to reasons beyond their control (e.g., labor disputes, transportation issues, material shortages, accidents, Acts of God). In such an event, ShenZhen Adkiosk Technology Co. Ltd must notify CL Technologies immediately if unable to deliver as promised. Either party can terminate the agreement in such cases.
- iv. Termination and Dispute Resolution: Either party can terminate the agreement at any time with written notice. CL Technologies is responsible for payment of goods delivered and accepted up to the termination date. Neither party is liable for indirect or consequential damages (e.g., lost profits, revenue, or business) resulting from the agreement, unless caused by negligence or breach. In case of a dispute, CL Technologies's sole remedy is the purchase price of the defective goods plus shipping costs.

(e) Sales Agreement with ShenZhen Adkiosk Technology Co. Ltd dated July 1, 2021

Sagtec Group entered into a Sales Agreement with ShenZhen Adkiosk Technology Co. Ltd for the purchase of food ordering kiosk machines and servers. The Sales Agreement does not specify the term or duration of the Sales Agreement. The key terms of the contract are as follows:

- i. **Delivery:** ShenZhen Adkiosk Technology Co. Ltd will deliver the goods to Sagtec Group's office address. Delivery is deemed accepted upon Sagtec Group's acceptance. ShenZhen Adkiosk Technology Co. Ltd will provide an invoice at delivery. Sagtec Group must pay in full before delivery, but can inspect goods upon delivery. If unacceptable, Sagtec Group must reject the goods within 5 business days. Title to the goods remains with ShenZhen Adkiosk Technology Co. Ltd until Sagtec Group accepts delivery. Risk of loss remains with ShenZhen Adkiosk Technology Co. Ltd, who must maintain insurance on the goods until Sagtec Group accepts delivery.
- ii. **Disclaimer of Warranties:** Products are sold 'as-is' and all warranties are disclaimed, whether express or implied.
- iii. **Excuse for Delay or Failure to Perform:** ShenZhen Adkiosk Technology Co. Ltd is not liable for delays or failure to perform due to reasons beyond their control (e.g., labor disputes, transportation issues, material shortages, accidents, Acts of God). In such an event, ShenZhen Adkiosk Technology Co. Ltd must notify Sagtec Group immediately if unable to deliver as promised. Either party can terminate the agreement in such cases.
- iv. **Termination and Dispute Resolution:** Either party can terminate the agreement at any time with written notice. Sagtec Group is responsible for payment of goods delivered and accepted up to the termination date. Neither party is liable for indirect or consequential damages (e.g., lost profits, revenue, or business) resulting from the agreement, unless caused by negligence or breach. In case of a dispute, Sagtec Group's sole remedy is the purchase price of the defective goods plus shipping costs.

Sales and Marketing

Our sales and marketing team consists of 8 full-time employees based in Malaysia. Our Executive Director, Chairman and Chief Executive Officer, Mr. Ng Chen Lok, and our Chief Operations Officer, Loong Xin Yee, oversee our sales and marketing department. We believe that we have a dedicated sales and marketing team providing top notch services to customers in Malaysia. The sales team consists of staff who specialize in understanding our customer's requirements and needs, as well as understanding how our solutions and products address said requirements and needs, with of our staff members possessing more than ten years of experience in the sales industry.

We promote our platform and enhance brand awareness through both online and offline branding and business development initiatives. We take part in major exhibitions in Malaysia to showcase our range of technological solutions such as the Malaysia Technology Expo, the Hong Kong World Trade Fair, and TECHSPO Dubai, among others. One of our other key channels for marketing is through word-of-mouth referrals from our existing customers and business contacts. We believe that our high-quality sales staff services result in strong word-of-mouth referrals and positive customer reviews, which increase customer awareness of our brand. As We intend to continue to invest resources in our marketing efforts.

Sales Process Flow

The process flow pertaining to our sales business activities can be described as follows:

Purchase of Self Food Ordering Kiosk Machines and general hardware from suppliers

Mr. Ng Chen Lok, our Executive Director, Chairman and Chief Executive Officer's wide network of contacts has allowed us to build a reputation and rapport with a network of trusted suppliers from around the region. Our suppliers constantly update us with information on product availability in the market. Our suppliers will typically provide us with digital photographs of the available equipment for sale. Subject to expected demand for the equipment, our sales team further negotiates sales terms with our suppliers before committing to purchases.

Customer Inquiries for Software and System purchases

Through our commitment to deliver quality technological software solutions which are customizable based on our customer's needs, we have firmly established ourselves as a preferred supplier of technological software solutions to our customers. Our new customers are generally derived from referrals from our existing customers and through online inquiries/. Customers also sometimes approach us with inquiries whenever they need to upgrade their technological software solutions for their projects. Subject to acceptable sales terms, our customers enter into sales agreements confirming their purchase of technological software solutions with us.

Competitive Strengths

We have strong and stable relationships with our suppliers and customers

Since the inception of our business in 2018, we have developed stable relationships with our key suppliers and customers in each region we serve. We have strived to maintain stable business relationships with our major customers. For the years ended December 31, 2023, 2024 and 2025, our top five customers accounted for 63.63%, 71.63% and 71.12% of total revenue respectively and three of our top five customers have done business with us for more than three years.

We have an experienced management team

We have an experienced management team, led by Mr. Ng Chen Lok, our Executive Director, Chairman and Chief Executive Officer, who has been instrumental in spearheading the growth of our Group. Mr. Ng Chen Lok has over 10 years of experience in the software development industry in Malaysia and is primarily responsible for the planning and execution of our Group's business strategies and managing our Group's customer relationships. Our Group is also supported by an experienced management team with over 10 years of experience in the software development industry. For more information, please see the section titled "Management - Executive Directors and Officers."

Our product, Speed +, provides comprehensive and customizable solutions for our customers

As a software company, we eschew the traditional cons associated with software sales, such as expensive software purchases, high upfront costs for hardware, a lack of updates for purchased software, and limited flexibility to cater to business needs. Instead, our product, Speed+, offers a comprehensive all-in-one solution for our customers, through our subscription-based model, which is both affordable and simple to install and operate. Benefits include cloud-based software with regular updates provided to our customers, bundling hardware devices pre-installed with our software into our subscription package, as well as customizable features which allow our customers to choose and pay for the features which they require, reducing costs. Further, we offer a flexible and cost-effective payment option via our subscription-based model, allowing our customers to pay either monthly or yearly, limiting upfront costs incurred by our customers and reducing the barrier to entry to utilize our services.

We also offer related services, making our company a one-stop solution for their information technology requirements.

Recognizing our customers' requirements, we also provide auxiliary services such as customizable software development solutions ranging from web to mobile applications, data analytics services which are designed to process and analyze data effectively, catering to various needs, with a specialty in topographic data feature extraction services. We also offer social media management and server management services, which focus on enhancing our customers' brand visibility and the seamless operation of our customers' IT infrastructure respectively.

4.D. Property, Plant and Equipment

Facilities

Our principal executive office is located at Lot 6-2, Level 9, Equatorial Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia, consisting of approximately 3,216 square feet of office space. We believe that we will be able to obtain adequate facilities on reasonable terms principally through leasing, to accommodate our future expansion plans.

A description of the Company's leased real properties is below:

Location	Usage	Lease Period	Rent (per month)	Approximate area
No. 43-1 & 43-2, Jalan Besar Kepong 52100, Kuala Lumpur	Office Use	June 1, 2025, to May 31, 2026	RM2,600/month	300 square meters
Lot 6-2, Level 9, Equatorial Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	Office Use	August 1, 2025, to July 31, 2028	RM24,120/month	3,216 square feet

As of the date of this annual report, the Company does not own any real property and intends to renew its current leases prior to expiration, and in the long term going forward.

Intellectual Property

Our Group's intellectual property rights are important to its business. As of the date of this annual report, the Group has registered the following domain names:

Domain Name	Registered Owner	Registration Date	Expiry Date
www.sagtec-global.com	Sagtec Group Sdn Bhd	September 26, 2023	August 27, 2026
www.cltech-intl.com	Sagtec Group Sdn Bhd	March 7, 2026	March 6, 2027

We were not involved in any proceedings with regard to, and we have not received notice of any claims of infringement of, any intellectual property rights that may be threatened or pending, in which we may be involved either as a claimant or respondent.

Regulatory Environment

This section sets forth a summary of the material laws and regulations that affect our Group's business and operations in Malaysia. Information contained in this section should not be construed as a comprehensive summary nor detailed analysis of laws and regulations applicable to the business and operations of our Group. This overview is provided as general information only and not intended to be a substitute for professional advice. You should consult your own advisers regarding the implication of the laws and regulations of Malaysia on our business and operations.

Laws And Regulations Relating to Our Business in Malaysia

Business Operation

Prior to the commencement of our business operations in Malaysia, we are required to apply for business premises licenses for each operating premises from the relevant local authority under the Local Government Act 1976, which confers power to the local authority to create by-laws and which provides that no person shall use any premises within the jurisdiction of the respective municipal council without a license issued by the respective municipal council, and that any person who fails to exhibit his license at all times in some prominent place on the licensed premises or fails to produce such license when required shall be liable to a fine not exceeding RM500 and/or to imprisonment for a term not exceeding six months. All our Malaysian subsidiaries have obtained the business premises license from the local authority and are in compliance with the Local Government Act 1976.

Employment laws

The Employment Act 1955 (the "EA 1955") is the principal law that governs and regulates all labor relations which covers the categories of employees as stated in the First Schedule of the EA 1955. Following the implementation of the Employment (Amendment) Act 2022 (the "EA 2022") and the Employment (Amendment of First Schedule) Order 2022, the applicability of EA 1955 has been widened to include any person who has entered into a contract of service with an employer irrespective of their monthly wages, is engaged in manual labor, serves as a supervisor of such manual laborer, serves as a domestic employee, and is engaged in any capacity in any vessel registered in Malaysia subject to certain conditions.

As long as the employee falls under the categories of “employee” under the Employment (Amendment of First Schedule) Order 2022, pursuant to section 7 of the EA 1955, any term and condition of the contract of service which is less favorable than the provisions under the EA 1955 or any other regulations made thereunder shall be ‘void’. Section 7 of the EA 1955 further states that such terms which are less favorable shall be substituted by those prescribed under the EA 1955.

Regardless of whether the employee falls under the purview of the EA 1955, the employer is under legal obligations to make the following statutory contributions: (a) Employees Provident Fund (the “EPF”), (b) the Social Security Organization (the “SOCSO”) contribution, (c) Employee Insurance System Scheme, (d) Schedular Tax Deduction or “Potongan Cukai Berjadual”, (e) Trade Union Subscription Fees or “Perbadanan Tabung Pendidikan Tinggi Nasional” (PTPTN) loan repayment (subjected to a request in writing by the employee must first be obtained). Section 99A of the EA 1955 provides that any person who commits any offence under or contravenes any provision of EA 1955 or any regulations made thereunder, in respect of which no penalty is provided, shall be liable, on conviction, to a fine not exceeding RM50,000, as revised under the EA 2022.

The relevant legal framework and procedures relating to employees and/or former employees who have been unfairly dismissed and/or constructively dismissed by employers is set out in the Industrial Relations Act 1967 (the “IRA 1967”). The IRA 1967 provides an avenue for employees to seek redress by bringing matters to the Industrial Court of Malaysia, which has jurisdiction over matters relating to industrial relation matters. In general, former employees who claim to have been unfairly and/or unlawfully dismissed by an employer may seek reinstatement to their position or compensation in lieu of reinstatement and back wages for a maximum of up to 24 months of their last-drawn salary.

The Employees’ Social Security Act 1969 (the “ESSA 1969”) provides benefits under two social insurance schemes, namely, the Employment Injury Insurance Scheme and the Invalidity Pension Scheme. The former provides for payment of certain benefits to an employee for any injury or disease that arises out of employment or during the course of employment. Under the ESSA 1969, the employees have the right to claim for certain benefits such as: (a) medical benefit; (b) disablement benefit; (c) constant attendance allowance; (d) dependents’ benefit; (e) funeral benefit; (f) survivor’s pension; and (g) invalidity pension.

If the employer, (a) fails to pay any contribution or any part thereof which is payable by him under the ESSA 1969 or fails to pay within the time prescribed by regulations any interest payable under section 14A of the ESSA 1969; (b) deducts or attempts to deduct from the wages of an employee the whole or any part of the employer’s contribution; (c) in contravention of section 52 of the ESSA 1969 reduces the wages or any privileges or benefits admissible to an employee; (d) in contravention of section 53 of the ESSA 1969 or any regulation dismisses, discharges, reduces or otherwise punishes an employee; (e) fails or refuses to submit any return or accident report required by the regulations, or makes a false return or report; (f) obstructs any Inspector appointed under section 12 of the ESSA 1969 and includes the Director General and every Deputy Director General or any other official of the SOCSO in the discharge of his duties; or (g) is guilty of any contravention of or non-compliance with any of the requirements of the ESSA 1969 or the rules or the regulations in respect of which no special penalty is provided, he shall be punishable with imprisonment a term which may extend to two years, or with fine not exceeding RM10,000 or with both.

Regulations on Personal Data Protection

The Personal Data Protection Act 2010 regulates the processing of personal data in the course of commercial transactions in Malaysia and is enforced by the Personal Data Protection Commissioner. Broadly, the Personal Data Protection Act 2010 sets out seven key data protection principles which must be adhered to by data users (i.e. a person who either alone or jointly or in common with other persons processes any personal data or has control over or authorizes the processing of any personal data, but does not include a processor) in Malaysia which include (i) the requirement to obtain consent prior to processing an individual’s personal data, the requirement to provide written notice to individuals in both English and the Malay language stating, among other things, the purposes for which the personal data will be processed, the classes of third parties to whom personal data will be disclosed, and the individual’s right; and (ii) obligation to ensure that the personal data collected will be processed in a safe and secure manner.

Anti-Money Laundering and Counter-Terrorism Financing

The Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (the “AMLA 2001”) prohibits money laundering and terrorism financing activities. Any person who (a) engages in a transaction that involves proceeds of unlawful activity; (b) uses proceeds of unlawful activity; (c) removes from or brings into Malaysia proceeds of unlawful activity; or (d) conceals, disguises, or impedes the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of unlawful activity, commits a money laundering offence under the AMLA 2001.

In addition, a reporting institution under the First Schedule of the AMLA 2001 is obliged to observe the anti-money laundering and counter financing terrorism requirements and standards, which include reporting and record-keeping duties, such as submitting suspicious transaction reports, implementing risk-based application, and conducting customer due diligence. None of our Malaysian subsidiaries is deemed to be a reporting institution. Nevertheless, we are required to comply with the provisions under the AMLA 2001.

Consumer Protection Act 1999 and the Consumer Protection (Electronic Trade Transactions) Regulations 2012

The main statute on consumer protection in Malaysia is the Consumer Protection Act 1999 (the “CPA”). CPA applies to all consumer transactions in Malaysia, including the sale of goods and services, and is designed to ensure that consumers are treated fairly and provided with adequate information about the products and services they purchase. The protection for e-consumers has been further strengthened recently by the enactment of the Consumer Protection (Electronic Trade Transactions) Regulations 2012.

CPA sets out a number of key provisions that businesses must comply with in order to ensure that consumers are protected. Some of the key provisions include:

- a) **Provision of information:** Businesses must provide consumers with clear and accurate information about their products and services, including pricing, quality, and safety. This information must be provided in a way that is easily accessible to consumers.
- b) **Consumer rights:** The CPA provides for a range of consumer rights, including the right to receive goods and services of satisfactory quality, the right to information about the products and services they purchase, and the right to seek redress if they are dissatisfied with a purchase.
- c) **Unfair practices:** The CPA prohibits businesses from engaging in unfair practices, such as making false or misleading claims about their products or services or engaging in misleading advertising.
- d) **Product safety:** The CPA requires businesses to ensure that their products are of acceptable quality (as stated under Section 32 of the CPA). The goods must be fit for their purpose, acceptable in appearance, free from minor defects, and safe and durable. In addition, sellers are prohibited from oppressing the consumer by entering into a sales contract that is deemed to be procedurally or substantively unfair to the consumer. Also, the CPA requires businesses to provide adequate warnings about any risks associated with their use.
- e) **Remedies for breach of contract:** If a business breaches its obligations under the act, consumers have a range of remedies available to them, including the right to receive a refund or replacement, the right to seek damages, and the right to terminate the contract.

The Consumer Protection (Electronic Trade Transactions) Regulations 2012 govern the conduct of electronic commerce transactions. The regulations were introduced to provide greater protection to consumers who engage in online transactions, and to establish a regulatory framework for e-commerce in Malaysia. The regulations apply to any person who carries out electronic transactions with consumers, whether they are businesses or individuals. They set out a number of key requirements that must be met in order to ensure that consumers are protected when making purchases online. Under the schedule provided under the Regulations, the information that is required to be disclosed are:

- a) **Disclosure of information:** The regulations require online businesses to provide clear and accurate information about their products and services, including pricing, delivery methods, and refund policies. This information must be provided in a way that is easily accessible to consumers.

- b) Consent to transactions: The regulations require businesses to obtain the express consent of consumers before completing any transaction. This means that consumers must be given the opportunity to review and confirm their order before it is processed.
- c) Security of transactions: Online businesses must take all necessary measures to ensure the security of electronic transactions, including the use of secure servers, encryption technologies, and other security measures.
- d) Privacy protection: The regulations require online businesses to protect the privacy of consumers, including their personal information and payment details. Businesses must also obtain the express consent of consumers before using their personal information for any marketing purposes.
- e) Dispute resolution: The regulations provide for the resolution of disputes between consumers and online businesses, including the use of mediation and other alternative dispute resolution mechanisms.

Electronic Commerce Act 2006

The Electronic Commerce Act 2006 (the “ECA”) is under the jurisdiction of the Ministry of Domestic Trade, Cooperatives and Consumerism. The ECA provides for legal recognition of electronic messages in commercial transactions, the use of the electronic messages to fulfill legal requirements and to enable and facilitate commercial transactions through the use of electronic means.

Although e-commerce is conducted online, it is necessary for the transaction to fulfil all of the elements of a legally binding contract. There must be an offer, acceptance of the offer, consideration, and the intention to create legal relations. Section 7(1) of the ECA facilitates commercial transactions through electronic means by acknowledging the formation of a valid contract formed through an electronic message. These contracts are legally valid, binding and enforceable against the contracting parties as provided under Section 7(2) of the ECA.

Some of the key provisions of the ECA include:

- a) Electronic signatures: The ECA provides for the use of electronic signatures in electronic transactions. An electronic signature is deemed to have the same legal effect as a physical signature, provided that it is reliable and can be verified.
- b) Data messages: The ECA provides for the use of data messages in electronic transactions. A data message is any information generated, sent, received or stored by electronic, magnetic, optical or similar means.
- c) Liability of service providers: The ECA provides that service providers are not liable for the content of information transmitted or hosted on their networks, provided that they do not have actual knowledge of the content and that they act promptly to remove or disable access to the content when they become aware of it.
- d) Consumer protection: The ECA provides for the protection of consumers in electronic transactions. Businesses are required to provide consumers with clear and accurate information about their products and services, and to ensure that their products and services are safe and of satisfactory quality.

Regulations in the BVI

Economic substance

The BVI, together with several other non-European Union jurisdictions, have recently introduced legislation aimed at addressing concerns raised by the Council of the European Union (the “EU”) as to offshore structures engaged in certain activities which attract profits without real economic activity. With effect from January 1, 2019, the Economic Substance (Companies and Limited Partnerships) Act, 2018 (as amended, the “Substance Law”) came into force in the BVI introducing certain economic substance requirements for BVI “relevant entities” which are engaged in certain banking, insurance, fund management, financing and leasing, headquarters, shipping, holding company, intellectual property or distribution and service center business (being “relevant activities”) and are in receipt of gross income arising from relevant activities in any relevant financial period. In the case of business companies incorporated before January 1, 2019, the economic substance requirements apply for financial years commencing June 30, 2019.

The economic substance requirements that are imposed include that in-scope companies be directed and managed in the BVI, have core income generating activities in the BVI, and have an adequate level of employees, expenditures, and premises in the BVI. Business companies that carry on holding company business (which means it only holds equity participations in other entities and only earns dividends and capital gains) will be subject to reduced substance requirements.

Beneficial ownership

The Beneficial Ownership Secure Search System Act, Revised Edition 2020 (as amended) of the BVI requires registered agents in the BVI to create a database of beneficial ownership information relating to in-scope entities for which they act as registered agent. Subject to certain exemptions, in-scope BVI companies are required to: (i) identify its parent, immediate parent, ultimate parent and beneficial owner or registrable legal entity (or, if it is listed on a recognized exchange, provide details of that exchange); (ii) identify whether it carries on one or more relevant activities for economic substance purposes and, if so, which ones; (iii) provide details of any applicable exchange listing where its securities are listed on a recognized exchange; and (iv) where the company carries on a relevant activity and is not a non-resident, provide certain additional information regarding its immediate parent and ultimate parent (if any).

A BVI company is obliged to notify its registered agent of (i) the required beneficial ownership information within 15 days of identifying it; and (ii) the required economic substance information regarding the carrying on of a relevant activity or listing on a recognized exchange within six months following the end of the financial reporting period in question. A BVI company who becomes aware of a change in the prescribed information relating to a beneficial owner or registrable legal entity must, within 30 days of becoming aware of the change, file information of the change.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our audited consolidated financial statements and the related notes included elsewhere in this annual report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under “Item 3. Key Information - 3.D. Risk Factors” and elsewhere in this annual report.

Overview

Following the successful completion of the Company’s Initial Public Offering (“IPO”) in March 2025, the Company entered a pivotal phase of expansion, characterized by enhanced brand visibility, strengthened market credibility, and increased customer engagement. The IPO has significantly elevated the Company’s profile both domestically and internationally, enabling it to deepen relationships with existing clients, attract new customers from Dubai, Indonesia, and Singapore, and expand its dealer network. This heightened market confidence has translated into broad-based growth across all major business segments.

Incorporated in Malaysia in 2018, the Company specializes in delivering customizable software solutions that integrate seamlessly with operational workflows, particularly within the food and beverage (“F&B”) sector. Its flagship product, Speed+, serves as an intelligent platform for digital ordering and transaction management. Installed on Point of Sale (“POS”) terminals sourced from reputable third-party suppliers, Speed+ enables efficient order processing and payment handling through a unified system. The Company also develops bespoke software solutions for table ordering, QR ordering, and self-service kiosk systems. For the years ended December 31, 2025, 2024 and 2023, revenue from Speed+ smart ordering and QR subscription services contributed 30.18%, 23.14% and 12.31% of total revenue, respectively, while software development services contributed 11.09%, 10.92% and 9.79%.

While the Company’s core clientele remains within Malaysia’s F&B industry, the adaptability of its solutions allows it to serve a broader range of sectors, including geotechnology, beauty, and property consulting. The integration of AI-driven F&B data analytics further enhances clients’ business intelligence and decision-making capabilities. This flexibility and industry-specific customization have positioned the Company as a trusted technology partner beyond the F&B sector.

Complementing its software offerings, the Company also markets self-service food ordering kiosks designed to enhance customer experience and operational efficiency. These kiosks enable users to browse menus, customize orders, and complete payments seamlessly, while reducing labor dependency and improving service speed. For the years ended December 31, 2025, 2024 and 2023, kiosk sales accounted for 21.27%, 19.23% and 25.29% of total revenue, respectively, reflecting increasing adoption of automation within the F&B industry. In addition, the Company provides robotic arm solutions to further enhance operational efficiency and customer experience.

Beyond the F&B sector, the Company continues to support a diverse client base through its software consultation and development services, which remain central to its innovation strategy. Its in-house programming team, with a combined 14 years of technical expertise, develops scalable and comprehensive digital solutions. For more complex projects, the Company collaborates with specialized outsourcing partners to ensure optimal delivery. This hybrid approach enables the Company to effectively meet evolving client requirements.

Recognizing the growing importance of digital presence, the Company’s social media management services have emerged as a key growth driver. The Company manages the online presence of Key Opinion Leaders (“KOLs”) and influencers, leveraging data analytics and performance-driven content strategies to optimize engagement. To enhance campaign effectiveness, an AI-driven analytics module has been implemented to enable more precise audience profiling, trend forecasting, and database optimization. This allows for deeper insights into user behavior and more targeted content delivery. For the years ended December 31, 2025, 2024 and 2023, this segment contributed 8.19%, 9.26% and 9.50% of total revenue, respectively.

In addition, through its majority-owned subsidiary, CL Technologies, the Company deploys and operates power bank charging stations across more than 300 locations in Malaysia. This segment addresses the growing demand for portable charging solutions in high-traffic public areas such as shopping malls and parks. Revenue contribution from this segment was 13.46%, 21.82% and 23.44% for the years ended December 31, 2025, 2024 and 2023, respectively.

The Company also provides data management solutions that enable clients to organize, process, and analyze raw data into actionable business insights. These services enhance data accessibility and analytical capabilities, forming an integral part of the Company's ecosystem. For the years ended December 31, 2025, 2024 and 2023, data management services contributed 14.50%, 15.63% and 15.62% of total revenue, respectively.

For the year ended December 31, 2025, our revenue was RM77,510,474 or \$19,098,306 and our net profit was RM7,294,213 or \$1,797,268. For the year ended December 31, 2024, our revenue was RM51,999,379 or \$12,812,462, and our net profit was RM7,165,510 or \$1,765,557. This is a growth of 49% in revenue and 2% in net profit respectively. The cost of sales increased from RM39,841,428 or \$9,816,786 in year ended December 31, 2024 to RM59,885,461 or \$14,755,566 in the year ended December 31, 2025.

For the year ended December 31, 2023, our revenue was RM29,280,649 or \$7,214,648 and our net profit was RM4,656,301 or \$1,147,296. For the years ended December 31, 2024, we recorded total revenue of RM51,999,379 or \$12,812,462 and a net profit of RM7,165,510 or \$1,765,557. This is a growth of 78% in revenue and 54% in net profit respectively. The cost of sales increased from RM21,112,777 or \$5,202,113 in year ended December 31, 2023 to RM39,841,428 or \$9,816,786 in the year ended December 31, 2024.

The Company's financial performance reflects its strengthened post-IPO market position and consistent execution strategy. These results highlight the Company's successful transition from a high-growth local enterprise to an emerging regional technology provider, supported by a diversified portfolio and a strong foundation for sustainable long-term growth.

Results of Operations

Comparison of the Results for Years Ended December 31, 2024 and 2025

	For the years ended December 31,				
	2024		2025		2025
	RM	%	RM	%	Convenience Translation USD
Revenue from services					
<i>Performance obligation satisfied over time</i>					
Subscription services	12,030,103	23.14%	23,393,531	30.18%	5,764,082
Software consultation and development services	5,678,947	10.92%	8,593,264	11.09%	2,117,350
Social media management services	4,817,229	9.26%	6,344,672	8.19%	1,563,305
Data management & analysis services	8,130,110	15.63%	11,237,232	14.50%	2,768,814
	30,656,389	58.95%	49,568,699	63.96%	12,213,551
Revenue from tangible products					
<i>Performance obligation satisfied at point in time</i>					
Food ordering kiosk with screen	9,999,245	19.23%	16,483,810	21.27%	4,061,553
Power bank charging station	11,343,745	21.82%	10,431,965	13.46%	2,570,399
	21,342,990	41.05%	26,915,775	34.73%	6,631,952
Revenue from rental					
<i>Performance obligation satisfied at point in time</i>					
Coffee Machine Kiosk Rental	-	0.00%	1,026,000	1.31%	252,803
Total revenue	51,999,379	100.00%	77,510,474	100.00%	19,098,306

Total revenue increased by RM25,511,095 or \$6,285,844 approximately 49% from RM51,999,379 or \$12,812,462 for the years ended December 31, 2024 to RM77,510,474 or \$19,098,306 for the years ended December 31, 2025.

Revenue from Services

Revenue from services increased by RM18,912,310 or \$4,659,926 approximately 62% from RM30,656,389 or \$7,553,625 for the years ended December 31, 2024 to RM49,568,699 or \$12,213,551 for the years ended December 31, 2025. This increase is attributed to the following:

1. **Subscription Services:** Revenue from subscription services increased by RM11,363,428 or \$2,799,907 approximately 94% from RM12,030,103 or \$2,964,175 for the years ended December 31, 2024 to RM23,393,531 or \$5,764,082 for the years ended December 31, 2025. This growth was primarily driven by strong renewal momentum, new customer acquisitions following the IPO, and enhanced customer experience initiatives. The integration of AI-driven features within the subscription platform has further strengthened renewal rates through personalized user experiences, predictive analytics, and automated support tools, resulting in improved customer engagement and satisfaction. Additionally, bundled service offerings and strengthened client engagement programs have reinforced recurring revenue stability.
2. **Software Consultation and Development Services:** Revenue rose by RM2,914,317 or \$718,078 approximately 51% from RM5,678,947 or \$1,399,272 for the years ended December 31, 2024 to RM8,593,264 or \$2,117,350 for the years ended December 31, 2025. The increase reflects heightened demand for customized digital transformation projects, particularly from startups and mid-sized enterprises. Improved market visibility following the IPO, combined with the Group's technical expertise and flexible engagement models, has positioned the Group as a preferred regional technology partner.
3. **Social Media Management Services:** Revenue increased by RM1,527,443 or \$376,357 approximately 32% from RM4,817,229 or \$1,186,948 for the years ended December 31, 2024 to RM6,344,672 or \$1,563,305 for the years ended December 31, 2025. This growth was driven by continued emphasis among businesses on digital engagement and real-time customer interaction. The Group's analytics-driven content solutions, coupled with AI-assisted campaign tools and automation capabilities, have attracted both local and international clients seeking measurable marketing outcomes.
4. **Data Management & Analysis Services:** Revenue increased by RM3,107,122 or \$765,584 approximately 38% from RM8,130,110 or \$2,003,230 for the years ended December 31, 2024 to RM11,237,232 or \$2,768,814 for the years ended December 31, 2025. The growth reflects increasing adoption of data-driven decision-making among clients. The Group's solutions consolidate data from POS systems, social media platforms, food ordering kiosks, and power bank charging stations to generate actionable insights on customer behavior and transaction trends. The implementation of AI-driven analytics has enhanced data accuracy and predictive capabilities, enabling faster and more informed decision-making. These features have also contributed to improved customer retention. Supported by upgraded infrastructure post-IPO, the segment continues to demonstrate enhanced scalability, integration capability, and service reliability.

Revenue from Tangible Products

Revenue from tangible products increased by RM5,572,785 or \$1,373,115 approximately 26% from RM21,342,990 or \$5,258,837 for the years ended December 31, 2024 to RM26,915,775 or \$6,631,952 for the years ended December 31, 2025. Key contributors include:

1. Food Ordering Kiosk with Screen: Revenue surged by RM6,484,565 or \$1,597,775 approximately 65% from RM9,999,245 or \$2,463,778 for the years ended December 31, 2024 to RM16,483,810 or \$4,061,553 for the years ended December 31, 2025. This growth was driven by ongoing digitalization trends in the F&B sector, as operators increasingly adopt automation to improve efficiency and manage labor costs. The Group's kiosks, powered by the Speed+ interface, gained strong market traction due to their user-friendly design, improved order processing efficiency, and reduced reliance on manpower.
2. Power Bank Charging Station: Revenue decreased by RM911,780 or \$224,660 approximately 8% from RM11,343,745 or \$2,795,059 for the years ended December 31, 2024 to RM10,431,965 or \$2,570,399 for the years ended December 31, 2025. The decline was primarily attributable to market saturation in certain locations and more cautious consumer spending. Nonetheless, the segment continued to be supported by network expansion into selected high-traffic areas and sustained consumer demand for portable charging solutions. Strategic partnerships and increased brand visibility following the IPO continue to support the long-term prospects of this segment.

Revenue from Rental

Revenue from rental contributed RM1,026,000 or \$252,803 in 2025, arising from the newly introduced coffee machine kiosk rental business. This initiative aligns with the Group's diversification strategy and capitalizes on the growing automation trend in beverage retail. Supported by in-house Speed+ capabilities and software customization expertise, this new business vertical demonstrates promising growth potential, albeit with a relatively longer payback period.

	For the years ended December 31,		
	2024	2025	2025
	RM	RM	Convenience Translation USD
Cost of sales from services	26,568,688	41,114,823	10,130,547
Cost of sales from tangible products	12,943,296	18,122,877	4,465,413
Cost of sales from rental	329,444	647,761	159,606
Total cost of sales	39,841,428	59,885,461	14,755,566

Total cost of sales increased by RM20,044,033 or \$4,938,780 approximately 50% from RM39,841,428 or \$9,816,786 for the years ended December 31, 2024 to RM59,885,461 or \$14,755,566 for the years ended December 31, 2025. This increase reflects the scaling up of operations following the IPO, supported by stronger sales momentum and expansion of technical infrastructure.

Cost of Sales from Services

The cost of sales from services increased by RM14,546,135 or \$3,584,117 approximately 55% from RM26,568,688 or \$6,546,430 for the years ended December 31, 2024 to RM41,114,823 or \$10,130,547 for the years ended December 31, 2025. This increase was primarily driven by higher service volumes and continued investment in technical resources. The Group expanded its server capacity, network infrastructure, and maintenance capabilities to support increased data traffic and ensure system reliability. Additional costs were incurred for technical support personnel as well as ongoing source code development and maintenance, which are critical to sustaining service quality amid growing demand.

Cost of Sales from Tangible Products

The cost of sales from tangible products increased by RM5,179,581 or \$1,276,231 approximately 40% from RM12,943,296 or \$3,189,182 for the years ended December 31, 2024 to RM18,122,877 or \$4,465,413 for the years ended December 31, 2025. The increase was mainly attributable to higher sales volumes and increased supplier pricing during the year. As the Group does not perform installation services, the cost structure largely reflects procurement costs of food ordering kiosks and power bank charging stations purchased directly from suppliers. Accordingly, the increase in cost closely tracks the growth in units sold and supplier price adjustments. Despite this, the Group continues to maintain efficient procurement practices and strong supplier relationships to support pricing stability and product quality.

Cost of Sales from Rental

The cost of sales from rental increased by RM318,317 or \$78,432 approximately 97% from RM329,444 or \$81,174 for the years ended December 31, 2024 to RM647,761 or \$159,606 for the years ended December 31, 2025. The increase was primarily due to depreciation of newly deployed assets under the coffee machine kiosk rental model. In addition, cost of sales continued to include depreciation of power bank charging stations previously classified under rental. These costs are largely fixed in nature, comprising asset depreciation, maintenance, and minimal operational manpower. As the rental segment is still in its early stage, improvements in scalability and cost efficiency are expected as utilization rates increase.

	For the years ended December 31,		
	2024	2025	2025
	RM	RM	Convenience Translation USD
Gross profit from services	4,087,701	8,453,876	2,083,004
Gross profit from tangible products	8,399,694	8,792,898	2,166,539
Gross (loss)/profit from rental	(329,444)	378,239	93,197
Total gross profit	12,157,951	17,625,013	4,342,740

Gross profit increased by RM5,467,062 or \$1,347,064 approximately 45% from RM12,157,951 or \$2,995,676 for the years ended December 31, 2024 to RM17,625,013 or \$4,342,740 for the years ended December 31, 2025. The overall gross margin improved as a result of post-IPO economies of scale, enhanced operational automation, and better supplier terms.

Services

The gross profit from services increased by RM4,366,175 or \$1,075,809 approximately 107% from RM4,087,701 or \$1,007,195 for the years ended December 31, 2024 to RM8,453,876 or \$2,083,004 for the years ended December 31, 2025. The improvement reflects strong revenue growth and enhanced operational efficiency. While the Group incurred higher costs from expanded technical teams, increased server capacity, and ongoing development efforts, these were offset by economies of scale. Centralized support systems, automated ticketing and monitoring platforms, and standardized deployment processes improved staff productivity and reduced per-customer servicing costs.

Tangible Products

The gross profit from tangible products increased by RM393,204 or \$96,884 approximately 5% from RM8,399,694 or \$2,069,655 for the years ended December 31, 2024 to RM8,792,898 or \$2,166,539 for the years ended December 31, 2025. The increase was driven by higher sales volumes, which enabled better absorption of fixed distribution and commercial overheads. Although supplier costs increased, the Group leveraged its enhanced post-IPO purchasing power to renegotiate supplier terms and secure volume discounts, partially mitigating cost pressures.

Rental

The gross profit from rental increase by RM707,683 or \$174,371 approximately 215% from loss of RM329,444 or \$81,174 for the years ended December 31, 2024 to profit of RM378,239 or \$93,197 for the years ended December 31, 2025. This improvement was supported by initial revenue contributions from the coffee machine kiosk rental business. Although still in the early investment phase, improved asset utilization and initial adoption by retail partners have begun to reduce losses and support a transition toward profitability.

	For the years ended December 31,		
	2024	2025	2025
	RM	RM	Convenience Translation USD
Selling and administrative	(1,600,287)	(7,450,175)	(1,835,696)
Employee benefit expenses	(390,533)	(505,494)	(124,552)
Director emoluments	(678,306)	(1,011,040)	(249,117)
Total operating expenses	(2,669,126)	(8,966,709)	(2,209,365)
Operating income	9,488,825	8,658,304	2,133,375

Total operating expenses increased by RM6,297,583 or \$1,551,702 approximately 236% from RM2,669,126 or \$657,663 for the years ended December 31, 2024 to RM8,966,709 or \$2,209,365 for the years ended December 31, 2025. The increase reflects expanded operational capacity, workforce growth, and strategic marketing initiatives following the IPO. Despite the increase, operating expenses remained proportionate to revenue growth. This rise in operating expenses was attributed to several key areas:

Selling and Administrative Expenses

These expenses increased by RM5,849,888 or \$1,441,391 approximately 366% from RM1,600,287 or \$394,305 for the years ended December 31, 2024 to RM7,450,175 or \$1,835,696 for the years ended December 31, 2025. This was primarily driven by higher marketing expenditures for brand-building initiatives and international business development. The Group also invested in digital advertising and promotional campaigns to strengthen market presence. Administrative expenses increased in line with the establishment of overseas client liaison offices to support regional expansion. In addition, the increase was partially attributable to higher expected credit loss (ECL) allowances recognized during the year, reflecting changes in the Group's assessment of recoverability of receivables.

Employee Benefit Expenses

Employee benefit expenses increased by RM114,961 or \$28,326 approximately 29% from RM390,533 or \$96,226 for the years ended December 31, 2024 to RM505,494 or \$124,552 for the years ended December 31, 2025. The increase was mainly due to additional hiring in administrative and corporate support functions, including finance, human resources, and general administration, to support the Group's expanded operations.

Director Emoluments

The expenses for director emoluments increased by RM332,734 or \$81,985 approximately 49% from RM678,306 or \$167,132 for the years ended December 31, 2024 to RM1,011,040 or \$249,117 for the years ended December 31, 2025. This reflects the implementation of a performance-based remuneration framework aligned with post-IPO growth objectives, as well as the appointment of an Independent Director in line with enhanced corporate governance practices. This approach rewards leadership for strategic execution, financial performance, and strengthened governance oversight.

Operating Income

Operating income decreased by RM830,521 or \$204,638 approximately 9% from RM9,488,825 or \$2,338,013 for the years ended December 31, 2024 to RM8,658,304 or \$2,133,375 for the years ended December 31, 2025. The decrease was marginal and reflects the Group's continued operational stability, supported by disciplined cost management following the IPO.

The performance was driven by a combination of revenue expansion, improved gross margins, and optimized cost structures across both service and product segments. Ongoing digitalization initiatives including process automation, enhanced financial systems, and streamlined administrative workflows have further improved productivity and reduced overhead pressures

Key factors behind the improvement include:

- Sustained revenue growth across all major business lines;
- Effective cost control and operational streamlining initiatives post-IPO; and
- Increased scalability and efficiency gains from digital and process optimization measures.

	For the years ended December 31,		
	2024	2025	2025
	RM	RM	Convenience Translation USD
Other income	311,744	1,248,127	307,534
Finance costs	(262,176)	(246,123)	(60,644)
Non-operating income	49,568	1,002,004	246,890
Profit before tax	9,538,393	9,660,308	2,380,265
Tax Expenses	(2,372,883)	(2,366,095)	(582,997)
Net profit	7,165,510	7,294,213	1,797,268

Other Income

Other income increased by RM936,383 or \$230,721 approximately 300% from RM311,744 or \$76,813 for the years ended December 31, 2024 to RM1,248,127 or \$307,534 for the years ended December 31, 2025. The increase was primarily attributable to favorable foreign exchange movements arising from higher international transactions. Additional contributions were derived from interest income and the reversal of unclaimed warranty provisions, which positively impacted the Group's results for the year.

Finance Costs

Finance costs decreased by RM16,053 or \$3,955 approximately 6% from RM262,176 or \$64,599 for the years ended December 31, 2024 to RM246,123 or \$60,644 for the years ended December 31, 2025. This decrease reflects prudent financial management and stable borrowing levels. The Group's strengthened liquidity position following the IPO enabled it to optimize its capital structure while effectively managing interest rate exposure.

Non-Operating Income

Non-operating income increased by RM952,436 or \$234,676 approximately 1921% from RM49,568 or \$12,214 for the years ended December 31, 2024 to RM1,002,004 or \$246,890 for the years ended December 31, 2025. The increase was mainly driven by foreign exchange gains and the reversal of unclaimed warranty provisions. These largely non-recurring gains contributed positively to the Group's overall earnings for the year.

Profit Before Tax

Profit before tax increased by RM121,915 or \$30,038 approximately 1% from RM9,538,393 or \$2,350,227 for the years ended December 31, 2024 to RM9,660,308 or \$2,380,265 for the years ended December 31, 2025. This improvement reflects strong revenue growth, enhanced operational efficiency, and disciplined cost management. The Group benefited from improved margins across both service and product segments, supported by scalable operations and optimized resource utilization.

Tax Expenses

Tax expenses decreased by RM6,788 or \$1,673 approximately 0.29% from RM2,372,883 or \$584,670 for the years ended December 31, 2024 to RM2,366,095 or \$582,997 for the years ended December 31, 2025. Despite higher profit before tax, tax expenses remained broadly stable due to the consistent effective tax rate and the absence of significant changes in tax structure, incentives, or non-deductible items during the year.

Net Profit

Net profit increased by RM128,703 or \$31,711 approximately 2% from RM7,165,510 or \$1,765,557 for the years ended December 31, 2024 to RM7,294,213 or \$1,797,268 for the years ended December 31, 2025. The increase was driven by sustained growth across all revenue streams, improved gross margins, and well-managed operating costs. This strong performance highlights the Group's ability to scale effectively in the post-IPO environment while maintaining financial resilience and profitability.

Comparison of Years Ended December 31, 2023 and 2024

	2023		2024		2024 Convenience Translation USD
	RM	%	RM	%	
Revenue from services					
<i>Performance obligation satisfied over time</i>					
Subscription services	3,605,525	12.31%	12,030,103	23.14%	2,964,175
Software consultation and development services	2,865,215	9.79%	5,678,947	10.92%	1,399,272
Social media management services	2,782,963	9.50%	4,817,229	9.26%	1,186,948
Data management & analysis services	4,574,481	15.62%	8,130,110	15.63%	2,003,230
	13,828,184	47.22%	30,656,389	58.95%	7,553,625
Revenue from tangible products					
<i>Performance obligation satisfied at point in time</i>					
Food ordering kiosk with screen	7,405,006	25.29%	9,999,245	19.23%	2,463,778
Power bank charging station	6,864,566	23.44%	11,343,745	21.82%	2,795,059
	14,269,572	48.73%	21,342,990	41.05%	5,258,837
Revenue from rental					
<i>Performance obligation satisfied at point in time</i>					
Rental of power bank machine	654	0.01%	-	-	-
Revenue from others					
<i>Performance obligation satisfied at point in time</i>					
Food catering, restaurant and sale of foods	1,182,239	4.04%	-	-	-
Total revenue	29,280,649	100.00%	51,999,379	100.00%	12,812,462

Total revenue increased by RM22,718,730 or \$5,597,814 approximately 78% from RM29,280,649 or \$7,214,648 for the year ended December 31, 2023 to RM51,999,379 or \$12,812,462 for the year ended December 31, 2024.

Revenue from Services

Revenue from services increased by RM16,828,205 or \$4,146,409 approximately 122% from RM13,828,184 or \$3,407,216 for the year ended December 31, 2023 to RM30,656,389 or \$7,553,625 for the year ended December 31, 2024. This increase is attributed to the following:

1. **Subscription Services:** Revenue from subscription services increased by RM8,424,578 or \$2,075,786 approximately 234% from RM3,605,525 or \$888,389 for the year ended December 31, 2023 to RM12,030,103 or \$2,964,175 for the year ended December 31, 2024. The revenue growth is primarily attributed to the renewal of 2023 subscriptions by existing customers, reflecting strong retention, alongside the acquisition of new subscribers in year 2024, which together have bolstered recurring revenue and expanded the overall subscription base.
2. **Software Consultation and Development Services:** Revenue increased by RM2,813,732 or \$693,293 approximately 98% from RM2,865,215 or \$705,979 for the year ended December 31, 2023 to RM5,678,947 or \$1,399,272 for the year ended December 31, 2024. Sustained growth in this revenue channel indicates a gradual increase in market demand. We are observing a rising trend among individuals and small to medium-sized enterprises seeking outsourced development and IT consultation services.
3. **Social Media Management Services:** Revenue increased by RM2,034,266 or \$501,236 approximately 73% from RM2,782,963 or \$685,712 for the year ended December 31, 2023 to RM4,817,229 or \$1,186,948 for the year ended December 31, 2024. Increase in revenue from this channel underscores the success of our strategic expansion into Social Media Management services. As social media continues to grow in prominence, demand for these solutions is rising, validating our decision to invest in this area.
4. **Data Management & Analysis Services:** Revenue increased by RM3,555,629 or \$876,094 approximately 78% from RM4,574,481 or \$1,127,136 for the year ended December 31, 2023 to RM8,130,110 or \$2,003,230 for the year ended December 31, 2024. Increase in revenue is reflected in our other revenue channels. Data from our Speed+ POS and social media management clients show growing demand for data management and analysis services, indicating a rise in need for these solutions.

Revenue from Tangible Products

Revenue from tangible products increased by RM7,073,418 or \$1,742,865 approximately 50% from RM14,269,572 or \$3,515,972 for the year ended December 31, 2023 to RM21,342,990 or \$5,258,837 for the year ended December 31, 2024. Key contributors include:

1. **Food Ordering Kiosk with Screen:** Revenue increased by RM2,594,239 or \$639,211 approximately 35% from RM7,405,006 or \$1,824,567 for the year ended December 31, 2023 to RM9,999,245 or \$2,463,778 for the year ended December 31, 2024. The revenue is attributed to changing market behaviors and the significant manpower shortages in the F&B industry. The shortage of staff has led F&B owners to adopt self-ordering machines, which are in growing demand due to their ability to reduce labor costs and enhance the food ordering experience.
2. **Power Bank Charging Station:** Revenue increased by RM4,479,179 or \$1,103,654 approximately 65% from RM6,864,566 or \$1,691,405 for the year ended December 31, 2023 to RM11,343,745 or \$2,795,059 for the year ended December 31, 2024. The revenue reflects the effectiveness of our marketing efforts and resource allocation. Our strategy of expanding through dealers and resellers has successfully contributed to the growth in this revenue channel.

Revenue from Rental

Revenue from rental of power bank machines decreased significantly from RM654 in 2023 to zero in 2024, representing a decline of 100%. Decline in this revenue attributed to considerations around resource investment and time. The rental service model required a long return on investment and substantial manpower. Consequently, we decided to shift from offering rental services to selling machines and managing maintenance through other operators. This transition allows us to reduce manpower costs and eliminate unnecessary expenses.

Revenue from Other Sources

Revenue from other sources, specifically food catering, restaurant and sale of foods, which contributed RM1,182,239 or \$291,299 in 2023.

	2023	2024	2024
			Convenience Translation
	RM	RM	USD
Cost of sales from services	11,074,957	26,568,688	6,546,430
Cost of sales from tangible products	9,472,173	12,943,296	3,189,182
Cost of sales from rental	326,348	329,444	81,174
Cost of sales from others	239,299	-	-
Total cost of sales	21,112,777	39,841,428	9,816,786

Total cost of sales increased by RM18,728,651 or \$4,614,673 approximately 89% from RM21,112,777 or \$5,202,113 for the year ended December 31, 2023 to RM39,841,428 or \$9,816,786 for the year ended December 31, 2024.

Cost of Sales from Services

The cost of sales from services increased by RM15,493,731 or \$3,817,600 approximately 140% from RM11,074,957 or \$2,728,830 for the year ended December 31, 2023 to RM26,568,688 or \$6,546,430 for the year ended December 31, 2024. With consistent growth in service revenue and an expanding subscriber base, our operational costs have risen accordingly, driven by the need for increased server capacity and proportional maintenance expenses to ensure optimal performance and support for the growing demand.

Cost of Sales from Tangible Products

The cost of sales from tangible products increased by RM3,471,123 or \$855,272 approximately 37% from RM9,472,173 or \$2,333,910 for the year ended December 31, 2023 to RM12,943,296 or \$3,189,182 for the year ended December 31, 2024. With consistent growth in tangible products revenue, our operational costs have risen accordingly.

Cost of Sales from Rental

The cost of sales from rental increased by RM3,096 or \$763 approximately 1% from RM326,348 or \$80,411 for the year ended December 31, 2023 to RM329,444 or \$81,174 for the year ended December 31, 2024. This reflects that our current operational space, including rented server farm space, adequately supports our operations and accommodates increasing customer volumes.

Cost of Sales from Other Sources

The cost of sales from other sources was RM239,299 or \$58,962 for the year ended December 31, 2023.

	2023	2024	2024
			Convenience Translation
	RM	RM	USD
Gross profit from services	2,753,227	4,087,701	1,007,195
Gross profit from tangible products	4,797,399	8,399,694	2,069,655
Gross loss from rental	(325,694)	(329,444)	(81,174)
Gross profit from others	942,940	-	-
Total gross profit	8,167,872	12,157,951	2,995,676

Gross profit increased by RM3,990,079 or \$983,141 approximately 49% from RM8,167,872 or \$2,012,535 for the year ended December 31, 2023 to RM12,157,951 or \$2,995,676 for the year ended December 31, 2024. This growth in gross profit was driven by substantial increases in revenue from both our services and tangible products.

Services

The gross profit from services increased by RM1,334,474 or \$328,809 approximately 48% from RM2,753,227 or \$678,386 for the year ended December 31, 2023 to RM4,087,701 or \$1,007,195 for the year ended December 31, 2024. The increase in gross profit was attributed to the implementation of a more efficient sales platform, which boosted revenue by enhancing sales processes, improving customer reach, and streamlining operations.

Tangible Products

The gross profit from tangible products increased by RM3,602,295 or \$887,593 approximately 75% from RM4,797,399 or \$1,182,062 for the year ended December 31, 2023 to RM 8,399,694 or \$2,069,655 for the year ended December 31, 2024. This was driven by the implementation of a more efficient sales platform, which boosted revenue by improving customer reach and streamlining operations.

Rental

The gross loss from rental of power bank machines increased by RM3,750 or \$924 approximately 1% from RM325,694 or \$80,250 for the year ended December 31, 2023 to RM329,444 or \$81,174 for the year ended December 31, 2024. This increase was primarily due to a rise in depreciation costs.

Other Sources

Gross profit for the year ended December 31, 2023 were RM942,940 or \$232,337.

	2023	2024	2024
	RM	RM	USD
Selling and administrative	(1,620,544)	(1,600,287)	(394,305)
Employee benefit expenses	(570,876)	(390,533)	(96,226)
Director emoluments	(536,770)	(678,306)	(167,132)
Disposal gain	662,701	-	-
Total operating expenses	(2,065,489)	(2,669,126)	(657,663)
Operating income	6,102,383	9,488,825	2,338,013

Total operating expenses increased by RM603,637 or \$148,734 approximately 29% from RM2,065,489 or \$508,929 for the year ended December 31, 2023 to RM2,669,126 or \$657,663 for the year ended December 31, 2024. This rise in operating expenses was attributed to several key areas:

Selling and Administrative Expenses

These expenses decreased by RM20,257 or \$4,991 approximately 1% from RM1,620,544 or \$399,296 for the year ended December 31, 2023 to RM1,600,287 or \$394,305 for the year ended December 31, 2024. This category includes costs related to marketing, administration, and other overheads necessary for daily operations.

Employee Benefit Expenses

Employee benefit expenses decreased by RM180,343 or \$44,436 approximately 32% from RM570,876 or \$140,662 for the year ended December 31, 2023 to RM390,533 or \$96,226 for the year ended December 31, 2024. This substantial reduction was due to a strategic decision to reduce workforce headcount.

Director Emoluments

The expenses for director emoluments increased by RM141,536 or \$34,874 approximately 26% from RM536,770 or \$132,258 for the year ended December 31, 2023 to RM678,306 or \$167,132 for the year ended December 31, 2024. The increment aligns with the company’s commitment to rewarding management leadership for driving growth and enhancing overall performance.

Disposal Gain

There was a disposal gain of RM662,701 or \$163,287 due to the sale of Sagfood (Malaysia) Sdn Bhd for the year ended December 31, 2023. This gain is a one-time occurrence and contributed positively to the overall financial performance.

Operating Income

Operating income increased by RM3,386,442 or \$834,407 approximately 55% from RM6,102,383 or \$1,503,606 for the year ended December 31, 2023 to RM9,488,825 or \$2,338,013 for the year ended December 31, 2024. This substantial growth in operating income highlights the company’s improved efficiency and effective cost management despite the rising operating expenses. The major factors contributing to this increase include:

- 1. Revenue Growth: Significant increases in revenue from both services and tangible products.
- 2. Cost Management: Strategic control over selling, administrative, and employee-related expenses despite the overall increase.

	2023	2024	2024
	RM	RM	USD
Other income	85,198	311,744	76,813
Finance costs	(164,491)	(262,176)	(64,599)
Non-operating (expenses)/income	(79,293)	49,568	12,214
Profit before tax	6,023,090	9,538,393	2,350,227
Tax Expenses	(1,366,789)	(2,372,883)	(584,670)
Net profit	4,656,301	7,165,510	1,765,557

Other Income

Other income increased by RM226,546 or \$55,821 approximately 266% from RM85,198 or \$20,992 for the year ended December 31, 2023 to RM311,744 or \$76,813 for the year ended December 31, 2024. This substantial increase was primarily driven by a high amount of unclaimed warranties from the tangible products revenue line.

Finance Costs

Finance costs increased by RM97,685 or \$24,069 approximately 59% from RM164,491 or \$40,530 for the year ended December 31, 2023 to RM262,176 or \$64,599 for the year ended December 31, 2024. The substantial increase in finance costs is mainly attributed to higher interest expenses, due to increased borrowings and higher interest rates.

Non-Operating Expenses/Income

Non-operating expenses/income increased by RM128,861 or \$31,752 approximately 163% from expenses of RM79,293 or \$19,538 for the year ended December 31, 2023 to income of RM49,568 or \$12,214 for the year ended December 31, 2024. This increase is primarily attributable to higher other income, resulting from the high amount of unclaimed warranties.

Profit Before Tax

Profit before tax increased by RM3,515,303 or \$866,159 approximately 58% from RM6,023,090 or \$1,484,068 for the year ended December 31, 2023 to RM9,538,393 or \$2,350,227 for the year ended December 31, 2024. This substantial increase was driven by higher revenues, increased other income, and effective management of operating costs, despite the rise in finance and non-operating expenses.

Tax Expenses

Tax expenses increased by RM1,006,094 or \$247,898 approximately 74% from RM1,366,789 or \$336,772 for the year ended December 31, 2023 to RM2,372,883 or \$584,670 for the year ended December 31, 2024. The increase in tax expenses corresponds with the higher profit before tax, maintaining the company's effective tax rate.

Net Profit

Net profit increased by RM2,509,209 or \$618,261 approximately 54% from RM4,656,301 or \$1,147,296 for the year ended December 31, 2023 to RM7,165,510 or \$1,765,557 for the year ended December 31, 2024. This substantial growth in net profit highlights the company's improved operational efficiency, effective cost management, and successful strategies in enhancing revenue streams.

Liquidity and Capital Resources

For the year ended December 31, 2024 and 2025

	2024	2025	2025 Convenience Translation USD
	RM	RM	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit for the year	7,165,510	7,294,213	1,797,268
<i>Adjustments to reconcile net profit to net cash used in operating activities:</i>			
Provisions	(52,927)	(416,057)	(102,515)
Depreciation	1,687,992	3,575,849	881,076
Amortization	55,256	214,646	52,888
Imputed interest of lease liability	10,090	40,750	10,041
Finance costs	262,176	246,123	60,644
Overdraft charges	111,620	108,785	26,804
Income tax expenses	2,372,883	2,366,095	582,997
Gain on disposal of subsidiary	-	-	-
Expected credit loss (ECL), net	-	1,229,403	302,291
Gain on disposal of plant & equipment	-	(460)	(113)
Share-based payment expense	-	2,474,094	609,608
Gain on lease termination	-	(4,790)	(1,180)
Operating cash flows before movements in working capital	11,612,600	17,128,651	4,220,439
Trade receivables	(6,418,937)	(2,795,250)	(688,740)
Other receivables and prepayment (cash related)	3,208,914	2,358,203	581,053
Other payables and accrued liabilities	479,896	576,616	142,077
Trade payables	(423,787)	335,070	82,560
Deferred revenue	(2,691,244)	-	-
Cash generated from operations	5,767,442	17,603,290	4,337,389
Income tax paid	(2,700)	(1,043,652)	(257,152)
Net cash provided by operating activities	5,764,742	16,559,638	4,080,237
Investing activities			
Purchase of plant and equipment	(4,894,732)	(29,241,319)	(7,204,957)
Loss of cash on disposal of subsidiary	-	-	-
Proceeds from disposal of plant and equipment	-	833,172	205,291
Net cash used in investing activities	(4,894,732)	(28,408,147)	(6,999,666)
Financing activities			
Issuance of share capital	-	-	-
Issuance of ordinary shares upon IPO, net	-	20,039,124	4,937,568
Repayment of lease liabilities	(57,084)	(293,146)	(72,230)
Increase in fixed deposits	(43,174)	(21,463)	(5,288)
Overdraft charges paid	(111,620)	(108,785)	(26,804)
Repayment of bank loans	(646,754)	(730,182)	(179,914)
Loan interest paid	(262,176)	(246,123)	(60,644)
Proceeds from bank loans	1,000,000	2,500,000	615,991
Placement of fixed deposits	-	(500,000)	(123,198)
Repayment from related parties	-	-	-
Repayment from/(repayment to) shareholders	(886)	-	-
Repayment from/(repayment to) directors	(137,181)	-	-
Net cash provided by/(used in) financing activities	(258,875)	20,639,425	5,085,481
Net increase in cash and cash equivalents	611,135	8,790,916	2,166,052
Cash and cash equivalents at beginning of year	(241,006)	370,129	91,198
Cash and cash equivalents at end of year	370,129	9,161,045	2,257,250
Supplement disclosures of non-cash activities			
<i>These transactions did not involve cash flows and are therefore excluded from the statement of cash flows in accordance with IAS 7 Statement of Cash Flows</i>			
Issuance of Class A ordinary shares for professional services	-	1,740,206	428,781
Issuance of Class A ordinary shares for consultant services (recognized as prepayments)	-	12,612,260	3,107,617
Issuance of Class A ordinary shares for licensing (recognized as prepayments)	-	8,262,048	2,035,739
Issuance of Class A ordinary shares for server infrastructure (recognized as prepayments)	-	28,483,410	7,018,211
Issuance of Class A ordinary shares for project management services (recognized as prepayments)	-	6,196,536	1,526,804

Operating activities

For the years ended December 31, 2024, the Company generated RM5,764,742 or \$1,420,412 from operating activities. The cash inflow was primarily attributable to profit before tax adjusted for non-cash items, coupled with favorable working capital movements, including increases in other receivables and prepayments, trade payables, other payables, and accrued liabilities, as well as reductions in trade receivables and deferred revenue.

For the years ended December 31, 2025, the Company generated RM16,559,638 or \$4,080,237 from operating activities. The increase was mainly driven by higher profit before tax adjusted for non-cash items, together with favorable changes in working capital, including increases in other receivables and prepayments, trade payables, other payables, and accrued liabilities, as well as a reduction in trade receivables. The significant improvement in operating cash flow reflects enhanced collection efficiency, disciplined working capital management, and increased business activity following the IPO.

Investing activities

For the years ended December 31, 2024, the Company invested RM4,894,732 or \$1,206,045 in plant and equipment to support business operations.

For the years ended December 31, 2025, the Company used RM28,408,147 or \$6,999,666 in investing activities. Capital expenditures were primarily incurred for the acquisition of plant and equipment to support new business segments and technological upgrades, partially offset by proceeds from the disposal of plant and equipment. The increase in capital investment is in line with the Group's post-IPO strategy to enhance operational capacity, strengthen infrastructure, and support long-term growth.

Financing activities

For the years ended December 31, 2024, the Company used RM258,875 or \$63,786 in financing activities. This was mainly attributable to repayments of lease liabilities, bank borrowings, and amounts due to shareholders and directors, as well as increases in fixed deposits, partially offset by proceeds from bank overdrafts and bank loans.

For the years ended December 31, 2025, the Company generated RM20,639,425 or \$5,085,481 from financing activities. The increase was primarily driven by proceeds from the issuance of new share capital in connection with the IPO, as well as additional bank borrowings, partially offset by repayments of lease liabilities and bank loans, and increases in fixed deposits. These financing inflows strengthened the Company's liquidity position and supported its expansion and capital investment initiatives during the year.

For the year ended December 31, 2023 and 2024

	<u>Note</u>	<u>2023</u> <u>RM</u>	<u>2024</u> <u>RM</u>	<u>2024</u> <u>USD</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net profit for the year		4,656,301	7,165,510	1,765,556
<i>Adjustments to reconcile net profit to net cash used in operating activities:</i>				
Depreciation		1,639,079	1,687,992	415,915
Amortization		102,379	55,256	13,615
Provisions		401,600	(52,927)	(13,041)
Imputed interest of lease liability		13,035	10,090	2,486
Finance costs		164,491	262,176	64,599
Overdraft charges		59,964	111,620	27,503
Gain on disposal of subsidiary		(662,701)	-	-
Income tax expenses		1,366,789	2,372,883	584,670
Gain on termination of lease		(4,001)	-	-
Reversal of for expected credit loss		(90,205)	-	-
Operating cash flows before movements in working capital		<u>7,646,731</u>	<u>11,612,600</u>	<u>2,861,303</u>
Trade receivables		(1,139,340)	(6,418,937)	(1,581,603)
Other receivables		(6,032,450)	3,208,914	790,665
Other payables		225,925	479,896	118,245
Trade payables		(35,382)	(423,787)	(104,420)
Deferred revenue		1,823,535	(2,691,244)	(663,113)
Cash generated from operations		<u>2,489,019</u>	<u>5,767,442</u>	<u>1,421,077</u>
Income tax paid		(29,843)	(2,700)	(665)
Net cash provided by operating activities		<u>2,459,176</u>	<u>5,764,742</u>	<u>1,420,412</u>
Investing activities				
Purchase of plant and equipment		(5,524,353)	(4,894,732)	(1,206,045)
Loss of cash on disposal of subsidiary		(27,620)	-	-
Net cash used in investing activities		<u>(5,551,973)</u>	<u>(4,894,732)</u>	<u>(1,206,045)</u>
Financing activities				
Issuance of share capital		645,380	-	-
Repayment of lease liabilities		(104,784)	(57,084)	(14,065)
Proceeds from bank loans		2,699,992	1,000,000	246,396
Repayment of bank loans		(330,610)	(646,754)	(159,358)
Loan interest paid		(164,491)	(262,176)	(64,599)
Overdraft charges paid		(59,964)	(111,620)	(27,503)
Increase in fixed deposits		(807,093)	(43,174)	(10,638)
Repayment from related parties		1,063,118	-	-
Repayment from/ (Repayment to) shareholders		30,852	(886)	(218)
Repayment from/ (Repayment to) directors		550,351	(137,181)	(33,801)
Net cash provided by/(used in) financing activities		<u>3,522,751</u>	<u>(258,875)</u>	<u>(63,786)</u>
Net change in cash and cash equivalents		429,954	611,135	150,581
Cash and cash equivalents at beginning of year	12	(670,960)	(241,006)	(59,383)
Cash and cash equivalents at end of year	12	<u>(241,006)</u>	<u>370,129</u>	<u>91,198</u>

Operating activities

For the year ended December 31, 2023, the Company generated RM2,459,176 or \$605,932 from operating activities primarily from profit adding back non-cash expenses, and increase in other payables and accrued liabilities and deferred revenue subtracted by non-cash income, increase in other receivable and trade receivable, decrease in trade payables and income tax payment.

For the year ended December 31, 2024, the Company generated RM5,764,742 or \$1,420,412 from operating activities primarily from profit adding back non-cash expenses, increase in other receivables and prepayment as well as decrease in trade receivables, trade payables, other payables and accrued liabilities, deferred revenue and income tax payment.

Investing activities

For the year ended December 31, 2023, the Company invested RM5,551,973 or \$1,367,986 in plant and equipment and loss of cash on disposal of subsidiary.

For the year ended December 31, 2024, the Company used RM4,894,732 or \$1,206,045 in investing activities in plant and equipment.

Financing activities

For the year ended December 31, 2023, the Company generated RM3,522,751 or \$867,993 in financing activities primarily from issuance of share capital, proceeds from bank overdraft, bank loans, repayment of outstanding due from shareholders and directors subtracted by repayment of lease liabilities, bank loans, repayment of outstanding due to related parties and increased in fixed deposits.

For the year ended December 31, 2024, the Company used of RM258,875 or \$63,786 in financing activities primarily from proceeds from bank loan subtracted by repayment of lease liabilities and bank loan, increase in fixed deposits and repayment of outstanding amount due to shareholders and director.

Capital Expenditure

	For the years ended December 31,			
	2023	2024	2025	2025
	RM	RM	RM	Convenience Translation USD
<u>Investment in plant and equipment:</u>				
Equipment & Machine	4,704,560	4,894,732	22,096,293	5,444,448
License	775,901	-	7,031,639	1,732,571
Renovation	43,892	-	113,387	27,938
Total	5,524,353	4,894,732	29,241,319	7,204,957

For the years ended December 31, 2023, the Company invested RM5,524,353 or \$1,361,181 in plant and equipment.

For the years ended December 31, 2024, the Company invested RM4,894,732 or \$1,206,045 in plant and equipment.

For the years ended December 31, 2025, the Company invested RM29,241,319 or \$7,204,957 in plant and equipment.

Material Obligation for the twelve years ending December 31, 2025

	RM	RM	RM	RM	RM	RM	USD
	Leases	Bank Borrowings	Trade payable	Other payable	Tax payable	Total	Total
Repayment Obligation							
Year ending December 31, 2026	323,399	1,173,088	335,070	1,749,353	5,143,639	8,724,549	2,149,698
Year ending December 31, 2027	321,878	1,252,768	-	-	-	1,574,646	387,987
Year ending December 31, 2028	336,147	996,901	-	-	-	1,333,048	328,458
Year ending December 31, 2029	236,347	716,991	-	-	-	953,338	234,899
Year ending December 31, 2030	55,683	768,277	-	-	-	823,960	203,021
After December 31, 2030	88,434	124,508	-	-	-	212,942	52,468
	<u>1,361,888</u>	<u>5,032,533</u>	<u>335,070</u>	<u>1,749,353</u>	<u>5,143,639</u>	<u>13,622,483</u>	<u>3,356,531</u>

The Company believes that current working capital is adequate to meet these repayment material obligations for the twelve years ended December 31, 2026.

In addition, the Company expect to generate additional cash flow from operational profit to meet repayment obligation beyond December 31, 2026.

Material Obligation as of December 31, 2024

	RM	RM	RM	RM	RM	RM	USD
	Leases	Bank Borrowings	Bank Overdraft	Other payable	Tax payable	Total	Total
Repayment Obligation							
Year ending December 31, 2025	52,768	736,481	104,587	422,973	3,918,926	5,235,735	1,290,067
Year ending December 31, 2026	57,434	782,996	-	-	-	840,430	207,079
Year ending December 31, 2027	25,598	795,079	-	-	-	820,677	202,212
Year ending December 31, 2028	7,701	495,036	-	-	-	502,737	123,873
Year ending December 31, 2029	8,171	184,632	-	-	-	192,803	47,506
After December 31, 2029	10,905	268,491	-	-	-	279,396	68,842
	<u>162,577</u>	<u>3,262,715</u>	<u>104,587</u>	<u>422,973</u>	<u>3,918,926</u>	<u>7,871,778</u>	<u>1,939,579</u>

The Company believes that current working capital is adequate to meet these repayment material obligations for the year ended December 31, 2025.

In addition, the Company expect to generate additional cash flow from operational profit to meet repayment obligation beyond December 31, 2025.

Financing Arrangement

As of December 31, 2025, the Company had RM2,250,000 or \$554,392 overdraft facility through its subsidiaries from two banks for working capital purposes, with no amounts drawn and the full facility remaining available.

Off-balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

5.C. Research and Development, Patent and Licenses, etc.

Please refer to “Item 4. Information on the Company - D. Property, Plant and Equipment - Intellectual Property.”

5.D. Trend Information.

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition or results of operations.

5.E. Critical Accounting Estimates.

Useful lives of plant and equipment

The Group’s management determines the estimated useful lives and the related depreciation charge for the Group’s plant and equipment. This estimate is based on the historical experience of the actual useful lives of plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore depreciation charge in the future periods.

Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables.

Off-balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risk

For the year ended December 31, 2023, 2024 and 2025

We are exposed to market risk (including foreign currency risk and interest rate risk), credit risk, and liquidity risk in the ordinary course of business. Our overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance.

Foreign Currency Risk

The Group expose to foreign currency risk due to transactions and balances denominated in currencies other than the functional currency of the respective entities of the Group, with the primary risk arising from the Chinese Renminbi (“RMB”). The Group closely monitor foreign currency risk on an ongoing basis to ensure that our net exposure remains at an acceptable level.

The company is subject to minimal foreign currency risk due to its foreign supplier policy of making prepayments in advance of delivery, thus eliminating the need for credit terms.

Interest Rate Risk

The Group exposed to interest rate risk arise mainly from interest-bearing bank loans. The interest rates and repayment terms of these loans are disclosed in Note 14 of the financial statements. Currently, The Group does not have an interest rate hedging policy. The sensitivity analysis below is based on our exposure to interest rates for non-derivative instruments at the end of the reporting period.

We use a 50-basis point increase or decrease to report interest rate risk internally to key management personnel, as this represents management's assessment of a reasonably possible change in interest rates. If interest rates on loans had been 50 basis points higher or lower, with all other variables held constant, our profit would decrease or increase by approximately RM15,098 for the year ended December 31, 2025 and RM16,707 for the year ended December 31, 2024.

Liquidity Risk

Liquidity risk arises mainly due to general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities. The table below analyses non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, which includes both principal and interest. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	As of			
	December 31, 2023	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	RM	Convenience Translation USD
<u>Bank borrowings</u>				
Repayment within:				
Less than 1 year	773,744	976,072	1,515,098	373,315
Between 1 and 2 years	773,744	963,436	1,515,681	373,459
Between 2 and 5 years	1,823,933	1,693,768	2,805,652	691,303
Over 5 years	38,102	288,536	126,513	31,172
<u>Bank overdraft</u>				
Repayment within less than 1 year	1,064,530	104,587	-	-
<u>Lease liabilities</u>				
Repayment within:				
Less than 1 year	57,084	60,204	382,416	94,226
Between 1 and 2 years	60,204	61,884	364,216	89,742
Between 2 and 5 years	98,532	45,732	672,552	165,714
Over 5 years	20,426	11,342	92,312	22,745
<u>Trade payable</u>				
Repayment within less than 1 year	423,787	-	335,070	82,559
<u>Other payable</u>				
Repayment within less than 1 year	692,841	422,973	1,749,353	431,035
<u>Amount due to director</u>				
Repayment within less than 1 year	137,181	-	-	-
<u>Amount due to shareholder</u>				
Repayment within less than 1 year	886	-	-	-

Credit Risk

Credit risk primarily arises from the possibility of customers failing to fulfill their payment obligations for the services provided. The Group addresses this risk by conducting thorough customer screening and segmentation based on creditworthiness, setting appropriate credit limits, and enforcing stringent payment terms such as upfront payments and short billing cycles.

Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due to the Company under the contract, and the cash flows that the Company expects to receive. The Company assesses all information available, including past due status, and forward looking macro-economic factors in the measurement of the expected credit losses associated with its assets carried at amortized cost.

	As of			
	December 31, 2023	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	RM	Convenience Translation USD
Trade receivable				
Collection within less than 1 year	1,990,414	8,409,351	11,204,601	2,760,774

Other receivables				
Collection within less than 1 year	4,513,832	2,867,160	508,958	125,406

	As of			
	December 31, 2023	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	RM	Convenience Translation USD
Lifetime expected credit loss				
As at January 1	90,205	-	-	-
Add: Charge for the year	-	-	1,229,403	302,921
Less: Written off during the year	(90,205)	-	-	-
As at December 31	-	-	1,229,403	302,921

For the year ended December 31, 2024 and December 31, 2023, the company made a deliberate decision to abstain from setting aside any provision for doubtful debt, given the fact that by February 28, 2025 and March 21, 2024 respectively, the company had successfully received complete settlement of all outstanding amounts owed by trade receivables.

For the year ended December 31, 2025, the company recognizes expected credit losses (ECL) for accounts receivable based on the simplified approach. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the accounts receivable.

Capital Risk Management

The Group manages its capital to ensure that entities within our Company will be able to maintain an optimal capital structure so as to support our businesses and maximize shareholders value. To achieve this objective, we may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manage its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as lease liability, borrowings and bank overdraft plus trade and other payables less cash and bank balances. Total capital is calculated as total equity plus net debts. Capital includes equity attributable to the owners of the parent and non-controlling interest.

	As of			
	December 31, 2023	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	RM	Convenience Translation USD
Net debt/(Net cash)	3,478,485	2,298,706	(2,670,486)	(657,998)
Total equity	10,218,691	17,384,201	102,011,998	25,135,395
Total capital	13,697,176	19,682,907	99,341,512	24,477,397
Gearing ratio	25.40%	11.68%	(2.69)%	(2.69)%

Inflation

Malaysia's inflation rates stood at 2.5% for the year ended December 31, 2023, 1.7% for the year ended December 31, 2024, and 1.6% for the year ended December 31, 2025. These figures indicate a moderate level of inflation during these years and we believe that there will be no material impact on their company.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

6.A. Directors and Senior Management

The following table sets forth the names, ages and titles of our Directors and Executive Officers:

Name	Age	Title
Ng Chen Lok	39	Chairman, Chief Executive Officer and Executive Director
Zuria Hajar Bt Mohd Adnan	33	Executive Director and Chief Financial Officer
Loong Xin Yee	28	Chief Operations Officer
Tan Kim Chuan	46	Chief Technology Officer

Independent Directors:

Name	Age	Title
Elain binti Lockman ⁽¹⁾⁽²⁾⁽³⁾	58	Independent Director
Ng Aik Soon ⁽¹⁾⁽²⁾⁽³⁾	47	Independent Director
Chen Xiang Foong ⁽¹⁾⁽²⁾⁽³⁾	34	Independent Director

No arrangement or understanding exists between any such Director or officer and any other persons pursuant to which any Director or executive officer was elected as a Director or executive officer. Our Directors are elected annually at the board meeting and serve until their successors take office or until their death, resignation or removal. The Executive Officers serve at the pleasure of the Board.

- (1) Member of the Audit Committee
- (2) Member of the Compensation Committee
- (3) Member of the Nominating Committee

Executive Directors and Officers:

Mr. Ng Chen Lok is our Executive Director, Chairman and Chief Executive Officer. Mr. Ng Chen Lok is responsible for the overall business management of the Company. With extensive experience spanning over a decade in the information technology industry in Malaysia, Mr. Ng Chen Lok continues to lead our Company to greater heights, providing guidance and direction to the Company. Under Mr. Ng Chen Lok's guidance, our company successfully grew from a humble three-person operation to targeting a revenue goal of RM10 million by 2029. From 2015 to 2018, Mr. Ng Chen Lok was at M3 Technologies (Asia) Bhd, a Malaysia Bursa Ace Board listed company focusing on Internet Of Thing (IOT) and cloud software program development, climbing the ranks from Sales Manager to General Manager in just three years. In 2012, Mr. Ng Chen Lok served as the Sales Manager at Wisdom Tronic Sdn Bhd, an internet development company that was an exclusive partner with Taiwan Wistron group, a Global Fortune 500 company, which developed and resold educational hardware and software.

Ms. Zuria Hajar Bt Mohd Adnan is an Executive Director and Chief Financial Officer of our Company. Ms. Zuria joined the Company in January 2023, where she oversees the management of all finance and accounting related matters of the Company. As a well-respected team leader and key member, Ms. Zuria possesses 6 years of professional experience in the field of finance and accounting, where she seeks to constantly leverage her previous experience to maximize the potential of herself within the Company. From July 2018 to December 2022, she was at Times Media Sdn Bhd, where she progressed from a Finance and Account Executive to a Team Leader in 3 short years. From February 2015 to May 2018, Ms. Zuria honed her skill as an accounting executive at FNR Synergy Sdn Bhd, specializing in tasks related to finance and accounting, costing, budgeting, taxation and auditing. Ms. Zuria holds a Master, Bachelors, and Diploma in Accountancy from Universiti Teknologi Mara, which she obtained in 2018, 2016 and 2013 respectively. Ms. Zuria was also certified as a Chartered Accountant in 2022 from the Malaysian Institute of Accounts, and obtained an Advanced Diploma in Management Accounting from the Association of International Certified Professional Accountants in 2023.

Ms. Loong Xin Yee is the Chief Operations Officer of our Company. Ms. Loong joined the Company in August 2023, and was subsequently appointed as Chief Operations Officer of our Company on January 1st 2024, where she oversees the day-to-day operations of the Company. A motivated and driven individual, Ms. Loong strives to utilize her deductive reasoning, mathematical, and problem-solving skills to improve herself for the benefit of the Company, and constantly seeks to expand her knowledge and skill. From March 2022 to June 2023, Ms. Loong was an associate accountant at Fintrek Sdn Bhd, where she developed new or amended accounting systems, programs, and procedures, while liaising with multiple parties such as banks, government agencies, lawyers, for matters related to Finance and Accounts. From June 2023 to the present, Ms. Loong took the role of executive accountant at BR Aesthetic Sdn Bhd, where she handled accounts, prepared financial statements, month-end closing activities, balance sheet reconciliations, and intercompany transactions. Ms. Loong is also in charge of overseeing the operations and development of the company's finance departments including creating and reviewing policies, budgeting, recruiting, training and conducting regular assessments of financial procedures. Ms. Loong holds a Bachelor's degree in commerce in Accounting and Finance from the University of Queensland in 2020, as well as a Bachelor of Art (Honours) in Accounting and Finance from Taylor's University, which she obtained in 2017.

Mr. Tan Kim Chuan is the Chief Technology Officer of our Company. Mr. Tan is a seasoned professional, with over 18 years of experience in various industries. Primarily focused on Project and Supply Chain Management, Mr. Tan uses his excellent people skills to manage and motivate the Company's employees, where he thrives in high-pressure environments. From May 2022 to the present, Mr. Tan serves as the Co-Founder of PT. Tofix Niaga Indonesia, where he oversees the Non-Performing Asset Disposal Business, which involves buying and reselling second-hand assets. Mr. Tan also serves as the Co-Founder of PT. Tosmart Trade International from November 2021 to the present, where he oversees the build-up and operations with regard to the B2B2C Vending Machine Business, expanding vending machines across Indonesia. From August 2018 to September 2021, Mr. Tan served as the Head of Vending Machine Services for Bluepay (Malaysia) Sdn Bhd, where he was involved in organizing, training operational team members as well as manage vendors & suppliers, with a focus on after-sales services. From August 2008 to August 2018, Mr. Tan proved his mettle as the Assistant General Manager for M3 Technologies (Asia) Berhad, where he served as the head of the VAS division overseeing business development and operation management, managing important accounts with key customers such as Petronas and Prudential. Mr. Tan holds a Bachelor's (Honors) Degree in Multimedia Computing from the University of Coventry, which he obtained in 2005, as well as a Certificate in Computing and IT from INTI-UC Malaysia, which he obtained in 2002.

Independent Directors:

Ms. Elaine binti Lockman ("Ms. Lockman") is our Independent Director. Ms. Lockman serves as chairman of the Compensation Committee and as a member of the Audit and Nomination committees. Ms. Lockman is currently the CEO and Co-Founder of ATA Plus since May 2015, a licensed equity crowdfunding platform regulated by the Securities Commission of Malaysia, where she oversees the company's strategic direction and operations. Her career spans management, business strategy, HR, marketing, and communications, where she has worked with major corporations and government agencies like Petronas. She is also currently an independent director of Reservoir Link Berhad (RL: KLSE MYR) and Propel Global Berhad (PGB: KLSE MYR), listed on the Main Market of the Kuala Lumpur Stock Exchange. Previously, she was a director at One Big Idea, where she provided hands-on and personalized business consulting and value-added services to clients in the areas of business growth, branding, sales and marketing strategies. Ms Lockman graduated from The London School of Economics and Political Science with a Bachelor of Science (Actuarial Science) in 1991, and a Master of Science (Operational Research) in 1992.

Ms. Lockman does not have any family relationship with any director or executive officer of the Company. She has not been involved in any transaction with the Company during the past two years that would require disclosure under Item 404(a) of Regulation S-K.

Mr. Ng Aik Soon ("Mr. Ng") is our Independent Director. Mr. Ng serves as chairman of the Nomination Committee and as a member of the Audit and Compensation Committees. Mr. Ng has over 15 years of experience in business development and management across fintech, logistics, e-commerce and technology-related industries. From July 2025 to present, Mr. Ng has served as Business Development Manager at Awsome Enterprise (Setlary – Earned Wage Access), where he is responsible for developing and executing business growth strategies for the company's Earned Wage Access platform, establishing B2B partnership frameworks, onboarding corporate and SME clients, and coordinating with HR, payroll and fintech integration teams to support product adoption. From July 2021 to August 2024, Mr. Ng served as Business Development Manager at MYXpress Management Sdn. Bhd., where he led cross-functional teams, oversaw operational and performance improvement initiatives, and was responsible for business development, client relationship management and internal process optimization. From May 2020 to May 2021, Mr. Ng served as Senior Business Development Manager at JDMAS Commerce Sdn. Bhd., where he focused on merchant onboarding, strategic partnerships and cross-border e-commerce initiatives, including supporting Malaysian merchants' entry onto JD.com. Mr. Ng received the Malaysian Certificate of Education (SPM) from SMK Tinggi Setapak, Kuala Lumpur in 1996.

Mr. Chen Xiang Foong (“Mr. Chen”) is our Independent Director. Mr. Chen serves as chairman of the Audit Committee and as a member of the Nomination and Compensation Committees. Mr. Chen is an approved audit license auditor with over a decade of experience in audit and advisory services, specializing in external audit, IPO advisory, financial reporting, due diligence for M&A cases and compliance with legal regulations. He is presently the managing partner and founder of CL & Co PLT, Malaysia, a boutique audit and advisory firm, providing services in external audit, financial reporting and corporate advisory, where he has successfully advised clients on IPO readiness, financial due diligence and compliance with local and international accounting standards. From 2016 to 2019, he was an audit manager at Ernst & Young Malaysia, where he managed an audit portfolio worth RM1.3 million, including top-tier global clients and government-linked conglomerates, while pioneering consultation services for clients on implementing international financial reporting standards. Mr. Chen is a graduate of Sunway University, where he possesses professional certificates in accounting as a certified accounting technician. Mr. Chen is also a Fellow of the Institute of Chartered Accountants in England and Wales, and a Member of the Malaysian Institute of Accountants.

Mr. Chen does not have any family relationship with any director or executive officer of the Company. He has not been involved in any transaction with the Company during the past two years that would require disclosure under Item 404(a) of Regulation S-K.

Family Relationships

None of the directors or executive officers has a family relationship as defined in Item 401 of Regulation S-K.

Election of Officers

Our executive officers are appointed by, and serve at the discretion of, our Board of Directors.

6.B. Compensation

Employment Agreements and Indemnification Agreements

We have entered into an employment agreement with each of our executive officers and employee directors. Each of them is employed for a specified time period. We may terminate employment for cause, at any time, without advance notice or remuneration, for certain acts of the executive officer. We may also terminate an executive officer’s employment without cause upon advance written notice. The executive officer and employee director may resign at any time with an advance written notice.

Effective as of June 27, 2024, Ng Chen Lok, our Chief Executive Officer, Director and Chairman of the Board entered into an Employment Agreement with Sagtec Global Limited. The agreement provides for an annual base salary, together with such additional discretionary bonus. Ng Chen Lok’s employment will continue indefinitely, subject to, amongst others, termination by either party to the agreement upon 30 days prior written notice or the equivalent salary in lieu of such notice. The agreement also provides that Ng Chen Lok shall not, during the term of the agreement and for 12 months after cessation of employment, carry on business in competition with the Group. Mr. Ng Chen Lok is entitled to an annual base salary of US\$24,000.

Effective as of June 27, 2024, Zuria Hajar Bt Mohd Adnan, our Chief Financial Officer and Director, entered into an Employment Agreement with Sagtec Global Limited. The agreement provides for an annual base salary, together with such additional discretionary bonus. Zuria Hajar Bt Mohd Adnan’s employment will continue indefinitely, subject to, amongst others, termination by either party to the agreement upon 30 days prior written notice or the equivalent salary in lieu of such notice. The agreement also provides that Zuria Hajar Bt Mohd Adnan shall not, during the term of the agreement and for 12 months after cessation of employment, carry on business in competition with the Group. Zuria Hajar Bt Mohd Adnan is entitled to an annual base salary of US\$24,000.

Effective as of June 27, 2024, Tan Kim Chuan, our Chief Technological Officer, entered into an Employment Agreement with Sagtec Global Limited. The agreement provides for an annual base salary, together with such additional discretionary bonus. Tan Kim Chuan’s employment will continue indefinitely, subject to termination by either party to the agreement upon 30 days prior written notice or the equivalent salary in lieu of such notice. The agreement also provides that Tan Kim Chuan shall not, during the term of the agreement and for 12 months after cessation of employment, carry on business in competition with the Group. Mr. Tan Kim Chuan is entitled to an annual base salary of US\$24,000.

Effective as of June 27, 2024, Loong Xin Yee, our Chief Operations Officer, entered into an Employment Agreement with Sagtec Global Limited. The agreement provides for an annual base salary, together with such additional discretionary bonus. Loong Xin Yee’s employment will continue indefinitely, subject to termination by either party to the agreement upon 30 days prior written notice or the equivalent salary in lieu of such notice. The agreement also provides that Loong Xin Yee shall not, during the term of the agreement and for 12 months after cessation of employment, carry on business in competition with the Group. Ms. Loong Xin Yee is entitled to an annual base salary of US\$24,000.

Compensation of Directors and Executive Officers

For the financial year ended December 31, 2025, we paid an aggregate of approximately RM1,466,899 (USD361,440) in cash to our Executive Directors and Executive Officers.

Code of Conduct, Code of Ethics, Insider Trading Policy and Executive Compensation Recovery Policy

We have adopted (i) a written code of business conduct and ethics and (ii) Insider Trading Policy that applies to our Directors, officers, and employees, including our chief executive officer, chief financial officer, principal accounting officer or controller or persons performing similar functions, and we have also adopted an (iii) Executive Compensation Recovery Policy that applies to our officers, and employees, including our chief executive officer, chief financial officer, principal accounting officer or controller or persons performing similar functions, (collectively the “Policies”). The information on our website is deemed not to be incorporated in this annual report or to be a part of this annual report. We will disclose any amendments to the Policies, and any waivers of the Policies for our Directors, executive officers and senior finance executives, on our website to the extent required by applicable U.S. federal securities laws and the corporate governance rules of Nasdaq. A copy of the Compensation Recovery Policy has been incorporated by reference herewith as Exhibit 97.1.

6.C. Board Practices

Board of Directors

Our board of directors consists of five directors. A director is not required to hold any shares in our company to qualify to serve as a director. Subject to the rules of the relevant stock exchange and disqualification by the chairman of the board of directors, a director may vote with respect to any contract, proposed contract, or arrangement in which he or she is materially interested. A director may exercise all the powers of the company to borrow money, mortgage its business, property and uncalled capital and issue debentures or other securities whenever money is borrowed or as security for any obligation of the company or of any third party. There are no directors’ service contracts with the Company or its subsidiaries providing for benefits upon termination of employment.

Committees of the Board of Directors

Our board of directors has established an audit committee, a compensation committee, and a nominating and corporate governance committee under the board of directors, and an investment committee under the management. Our board of directors has adopted a charter for the audit committee, the compensation committee, and the nominating and corporate governance committee. Each committee’s members and functions are described below.

Audit Committee. Mr. Chen, Ms. Lockman and Mr. Soon serve on the audit committee, chaired by Mr. Chen Xiang Foong. Our Board has determined that each are “independent” for audit committee purposes as that term is defined by the rules of the SEC and Nasdaq, and that each has sufficient knowledge in financial and auditing matters to serve on the audit committee. Our Board has designated Mr. Chen Xiang Foong as an “audit committee financial expert,” as defined under the applicable rules of the SEC. The audit committee’s responsibilities include:

- appointing, approving the compensation of, and assessing the independence of our independent registered public accounting firm;
- pre-approving auditing and permissible non-audit services, and the terms of such services, to be provided by our independent registered public accounting firm;
- reviewing the overall audit plan with our independent registered public accounting firm and members of management responsible for preparing our financial statements;
- reviewing and discussing with management and our independent registered public accounting firm our annual and quarterly financial statements and related disclosures as well as critical accounting policies and practices used by us;
- coordinating the oversight and reviewing the adequacy of our internal control over financial reporting;
- establishing policies and procedures for the receipt and retention of accounting-related complaints and concerns; recommending, based upon the audit committee’s review and discussions with management and our independent registered public accounting firm, whether our audited financial statements shall be included in our Annual Report on Form 20-F;
- monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to our financial statements and accounting matters;
- preparing the audit committee report required by SEC rules to be included in our annual proxy statement;
- reviewing all related person transactions for potential conflict of interest situations and approving all such transactions; and
- reviewing earnings releases.

Compensation Committee. Ms. Lockman, Mr. Ng and Mr. Chen serve on the compensation committee, chaired by Ms. Elain binti Lockman. Our Board has determined that each such member satisfies the “independence” requirements of Rule 5605(a)(2) of the Listing Rules of the Nasdaq Stock Market. The compensation committee’s responsibilities include:

- evaluating the performance of our chief executive officer in light of our company’s corporate goals and objectives and, based on such evaluation: (i) recommending to the Board the cash compensation of our chief executive officer, and (ii) reviewing and approving grants and awards to our chief executive officer under equity-based plans;
- reviewing and recommending to the Board the cash compensation of our other executive officers;
- reviewing and establishing our overall management compensation, philosophy and policy;
- overseeing and administering our compensation and similar plans;
- reviewing and approving the retention or termination of any consulting firm or outside advisor to assist in the evaluation of compensation matters and evaluating and assessing potential and current compensation advisors in accordance with the independence standards identified in the applicable Nasdaq rules;
- retaining and approving the compensation of any compensation advisors;
- reviewing and approving our policies and procedures for the grant of equity-based awards;
- reviewing and recommending to the Board the compensation of our Directors; and
- preparing the compensation committee report required by SEC rules, if and when required.

Nominating Committee. Mr. Chen, Ms. Lockman and Mr. Ng serve on the nomination committee, chaired by Mr. Ng Aik Soon. Our Board has determined that each member of the nomination committee is “independent” as defined in the applicable Nasdaq rules. The nomination committee’s responsibilities include:

- developing and recommending to the Board criteria for board and committee membership;
- establishing procedures for identifying and evaluating Director candidates, including nominees recommended by stockholders; and
- reviewing the composition of the Board to ensure that it is composed of members containing the appropriate skills and expertise to advise us.

While we do not have a formal policy regarding board diversity, our nomination committee and Board will consider a broad range of factors relating to the qualifications and background of nominees, which may include diversity (not limited to race, gender or national origin). Our nomination committee’s and Board’ priority in selecting board members is identification of persons who will further the interests of our shareholders through their established record of professional accomplishment, the ability to contribute positively to the collaborative culture among board members, knowledge of our business, understanding of the competitive landscape and professional and personal experience and expertise relevant to our growth strategy.

Duties of Directors

Under British Virgin Islands law, our directors have a duty to act honestly, in good faith and with a view to our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also owe to our company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the British Virgin Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time. Our company has the right to seek damages if a duty owed by our directors is breached. In limited circumstances, a shareholder may have the right to seek damages in our name if a duty owed by the directors is breached.

Our Board of Directors has all the powers necessary for managing, and for directing and supervising, our business affairs. The functions and powers of our Board of Directors include, among others:

- convening general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of the officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our share register.

Terms of Directors and Officers

Our directors are elected by and serve at the discretion of the board. Each director is not subject to a term of office and holds office until such time as his successor takes office or until the earlier of his death, resignation or removal from office by the affirmative vote of a simple majority of the other directors present and voting at a board meeting.

6.D. Employees

As of the date of this annual report, the Operating Subsidiaries have 22 employees, all of whom are full-time. The Operating Subsidiaries had 20, 19, and 24 employees as of December 31, 2025, 2024 and 2023, respectively. The following table sets out the number of our employees, excluding external experts, categorized by functions:

Function	As of December 31, 2025	As of December 31, 2024	As of December 31, 2023	As of the date of this annual report Number of employees
Management	4	4	4	4
Finance	2	1	1	2
Human Resource	2	1	1	2
IT	2	4	3	4
Sales & Marketing	8	7	12	8
Operations	2	2	3	2
Total	20	19	24	22

Our employees are not covered by collective bargaining agreements. We consider our labor practices and employee relations to be good.

The Operating Subsidiaries maintain good working relationships with the employees and that none of them has experienced any significant labor disputes.

6.E. Share Ownership

Except as specifically noted, the following table sets forth information with respect to the beneficial ownership of our Class A Ordinary Shares as of the date of this annual report by:

- Each person who is known by us to beneficially own more than 5% of our outstanding Class A Ordinary Shares;
- Each of our directors (including independent directors) and named executive officers; and
- All directors (including independent directors) and named executive officers as a group.

The number and percentage of our Class A Ordinary Shares beneficially owned before the Offering are based 12,550,000 Class A Ordinary Shares as of the date of this annual report. The information presented below regarding beneficial ownership of our voting securities has been presented in accordance with the rules of the SEC and is not necessarily indicative of ownership for any other purpose. Under these rules, a person is deemed to be a “beneficial owner” of a security if that person has or shares the power to vote or direct the voting of the security or the power to dispose or direct the disposition of the security. A person is deemed to own beneficially any security as to which such person has the right to acquire sole or shared voting or investment power within sixty (60) days through the conversion or exercise of any convertible security, warrant, option or other right. More than one (1) person may be deemed to be a beneficial owner of the same securities. The percentage of beneficial ownership by any person as of a particular date is calculated by dividing the number of shares beneficially owned by such person, which includes the number of shares as to which such person has the right to acquire voting or investment power within sixty (60) days, by the sum of the number of shares outstanding as of such date, plus the number of shares as to which such person has the right to acquire voting or investment power within sixty (60) days. Consequently, the denominator used for calculating such percentage may be different for each beneficial owner. Except as otherwise indicated below and under applicable community property laws, we believe that the beneficial owners of our shares listed below have sole voting and investment power with respect to the shares shown.

Unless otherwise noted below, the address of each person listed on the table is Lot 6-2, Level 9, Equatorial Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

	Amount of Beneficial Ownership of Class A Ordinary Shares ⁽¹⁾	Percentage Ownership of Class A Ordinary Shares ⁽²⁾	Amount of Beneficial Ownership of Class B Ordinary Shares	Percentage Ownership of Class B Ordinary Shares	Combined Voting Power of Class A and Class B Ordinary Shares ⁽²⁾
Executive Officers and Directors					
Directors and Named Executive Officers:					
Ng Chen Lok	6,537,600	36.63%	2,000,000	100.00%	80.72%
Zuria Hajar binti Mohd Adnan	-	-	-	-	-
Loong Xin Yee	-	-	-	-	-
Tan Kim Chuan	-	-	-	-	-
Elain binti Lockman	-	-	-	-	-
Ng Aik Soon	-	-	-	-	-
Chen Xiang Foong	-	-	-	-	-
<i>All executive officers and directors as a group (five persons)</i>	-	-	-	-	-
5% or Greater Shareholders					
Ng Chen Lok ⁽³⁾	6,537,600	36.63%	2,000,000	100.00%	80.72%
Kinetic Seas Incorporated	3,905,000	21.88%	-	-	6.75%

- (1) Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the Ordinary Shares. All shares represent only the Ordinary Shares held by shareholders as no options are issued or outstanding.
- (2) Calculation based on 17,850,000 Class A and 2,000,000 Class B Ordinary Shares issued and outstanding as of the date of this annual report. Holders of Class A Ordinary Shares are entitled to one (1) vote per share, while holders of Class B Ordinary Shares are entitled to twenty (20) votes per share.
- (3) This is a sum of 6,537,600 Class A Ordinary Shares and 2,000,000 Class B Ordinary Shares held by Ng Chen Lok as of the date of this annual report.

6.F. Disclosure of a Registrant’s Action to Recover Erroneously Awarded Compensation

Not applicable

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

7.A. Major Shareholders

Please refer to “Item 6. Directors, Senior Management and Employees - 6.E. Share Ownership.”

7.B. Related Party Transactions

Terms of Directors and Officers

See “Item 6. Directors, Senior Management and Employees-6.C. Board Practices-Terms of Directors and Officers.”

Employment Agreements and Indemnification Agreements

See “Item 6. Directors, Senior Management and Employees-6.B. Compensation-Employment Agreements and Indemnification Agreements.”

Other Related Party Transactions

We have adopted an audit committee charter, which requires the committee to review all related-party transactions on an ongoing basis and all such transactions be approved by the committee.

In addition to the executive officer and director compensation arrangements discussed in “Executive Compensation,” below we describe transactions since January 1, 2021, to which we have been a participant, in which the amount involved in the transaction is material to our company and in which any of the following is a party: (a) enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, our Company; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of our Company that gives them significant influence over our Company, and close members of any such individual’s family; (d) key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of our Company, including directors and senior management of companies and close members of such individuals’ families; and (e) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such a person is able to exercise significant influence.

The table below sets forth the major related parties and their relationships with the Company as of December 31, 2025, 2024 and 2023, and as of April 15, 2026:

Nature of relationships with related parties

Name of Related Party	Relationship to the Company
Ng Chen Lok	Executive Director, and Chief Executive Officer of the Company
Yong Avon	Shareholder of the Company
Yap Kee Wai	Shareholder of Sagtec Group Sdn Bhd & Sagfood (Malaysia) Sdn Bhd
Yong Jenny	Shareholder of Sagtec Group Sdn Bhd, CL Technologies (International) Sdn Bhd & Sagfood (Malaysia) Sdn Bhd
Yong Chen Wah	Shareholder of CL Technologies (International) Sdn Bhd & Sagfood (Malaysia) Sdn Bhd
SM Prominent Sdn Bhd	Shareholder of Sagtec Group Sdn Bhd & Sagfood (Malaysia) Sdn Bhd
Capa Group Sdn Bhd	Shareholder of Sagtec Group Sdn Bhd & Sagfood (Malaysia) Sdn Bhd
Sagfood Express	An entity controlled by our Executive Director, and Chief Executive Officer Mr. Ng Chen Lok
Kinetic Seas Incorporated	Shareholder of the Company

a. Related party transactions

The table below sets out the related party transactions of the Group for the period January 1, 2024 to April 15, 2026 and for the periods indicated:

	From January 1, 2025 to April 15, 2026	For the Years Ended December 31,			
		2025	2024	2023	
		USD (Audited)	RM (Audited)	RM (Audited)	RM (Audited)
	(Unaudited)				
Sale of goods and/or services to related parties ⁽¹⁾	-	-	-	-	4,988,468
Payments made on behalf by director ⁽²⁾	28,363	28,363	28,363	23,944	247,707
Employee benefit expenses charged from related parties ⁽³⁾	-	-	-	12,000	15,996
Selling and administrative expenses charged from related parties ⁽⁴⁾	-	-	-	8,495	24,877

Notes:

- (1) This includes revenue from subscription services, software consultation and development services, food catering, restaurant and sale of foods, power bank charging station and food ordering kiosk with screen. These services were provided to shareholders, SM Prominent Sdn Bhd and Capa Group Sdn Bhd, as well as to companies with common shareholders, Sagtec Express.
- (2) Ng Chen Lok, our Executive Director, and Chief Executive Officer, has advanced to the company for our operations. As of the date of annual report, all advances have been fully repaid, and there is no outstanding balance.
- (3) This includes staff refreshment charges by Sagfood Express, as well as allowances paid to Yong Avon and Ng Chen Lok.
- (4) This includes food supplied by Sagfood Express for company events, development fees charged by Yap Kee Wai for the planning, creation and implementation of software development projects and marketing and promotion fees charged by Yong Jenny and Yong Chen Wah for advertisement on Facebook, Google and other social media platforms.

7.C. Interests of Experts and Counsel

Not Applicable.

ITEM 8. FINANCIAL INFORMATION

8.A. Consolidated Statements and Other Financial Information

Please refer to “Item 18. Financial Statements.”

Legal and Administrative Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of our business. We are currently not a party to any pending any material legal or administrative proceedings and are not aware of any events that are likely to lead to any such proceedings.

On January 15, 2026, Helena Global Investment Opportunities I Ltd. (“Helena”) filed a complaint against Sagtec Global Limited in the Supreme Court of the State of New York, County of New York (the “Complaint”), alleging claims arising out of a purchase agreement entered into between the parties dated July 11, 2025. On March 20, 2026, the Company entered into a Confidential Settlement Agreement and Mutual General Release (the “Settlement Agreement”) with Helena to resolve a dispute arising from the Action. Pursuant to the Settlement Agreement, and without any admission of liability by either party, the parties agreed to fully and finally resolve all claims relating to the Complaint.

As of the date of this annual report, we are not a party to, and we are not aware of any threat of, any legal proceeding that, in the opinion of our management, is likely to have a material adverse effect on our business, financial condition or operations, nor have we experienced any incident of non-compliance which, in the opinion of our directors, is likely to materially and adversely affect our business, financial condition or operations.

Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial costs and diversion of our resources, including our management’s time and attention. For potential impact of legal or administrative proceedings on us, see “Item 3. Key Information - 3.D. Risk Factors-Risks Relating to Our Business and Industry-*Regulatory actions, legal proceedings and customer complaints against us could harm our reputation and have a material adverse effect on our business, results of operations, financial condition and prospects. Our directors, management, shareholders and employees may also from time to time be subject to legal proceedings, which could adversely affect our reputation and results of operations*” and “Item 3. Key Information - 3.D. Risk Factors-Risks Relating to Our Business and Industry- *We may be subject to intellectual property infringement claims.*”.

Dividend Policy

While we currently have no plans to distribute dividends in the foreseeable future, in the event we consider distributing a dividend in the future, our Board shall take into account, among other things, the following factors when deciding whether to propose a dividend and in determining the dividend amount: (a) operating and financial results; (b) cash flow situation; (c) business conditions and strategies; (d) future operations and earnings; (e) taxation considerations; (f) interim dividend paid, if any; (g) capital requirement and expenditure plans; (h) interests of shareholders; (i) statutory and regulatory restrictions; (j) any restrictions on payment of dividends; and (k) any other factors that our Board may consider relevant.

Our board of directors has discretion regarding whether to declare or pay dividends. All dividends are subject to certain restrictions under BVI law and the Company’s Memorandum and Articles of Association, namely that: (a) all dividends must be authorized by board resolutions, by which our board of directors may authorize a distribution at any time and in any amount they think fit and set a record date (which may be before or after the date on which the board resolutions are passed) for determining the shareholders to be paid; (b) our board of directors may only authorize payment of a dividend if they are satisfied (on reasonable grounds) that the value of the Company’s assets exceeds its liabilities and the Company is able to pay its debts as they fall due (the “Solvency Test”) immediately paying the dividend; and (c) if, after a dividend is authorized (but before it is paid), our board of directors cease to be satisfied (on reasonable grounds) that the Company will be able to satisfy the Solvency Test after the dividend is paid, then such dividend is deemed not to have been authorized. A distribution made to a shareholder at a time when the Company did not, immediately after the distribution, satisfy the Solvency Test may be recovered by the Company from the member unless (a) the member received the distribution in good faith and without knowledge of the Company’s failure to satisfy the Solvency Test; (b) the member has altered his or her position in reliance on the validity of the distribution; and (c) it would be unfair to require repayment in full or at all.

Our board of directors will notify each shareholder of any dividend authorized by them and no interest accrues on any dividend. If a shareholder fails to claim any dividend for three years after the date on which it was authorized by the directors, the directors may decide by a resolution of directors that the dividend is forfeited for the benefit of the Company.

Even if our Board decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the Board may deem relevant. In addition, we are a holding company and depend on the receipt of dividends and other distributions from our subsidiaries to pay dividends on our Class A Ordinary Share and Class B Ordinary Shares in accordance with the Company’s Memorandum and Articles of Association.

Cash dividends on our shares, if any, will be paid in U.S. dollars.

8.B. Significant Changes

Except as otherwise disclosed in this report, we have not experienced any significant changes since the date of our audited consolidated financial statements included herein.

ITEM 9. THE OFFER AND LISTING

9.A. Offer and listing details

Not applicable for annual reports on Form 20-F.

9.B. Plan of distribution

Not applicable for annual reports on Form 20-F.

9.C. Markets

Our Class A Ordinary Shares are listed on the Nasdaq Capital Market under the symbol “SAGT.”

9.D. Selling shareholders

Not applicable for annual reports on Form 20-F.

9.E. Dilution

Not applicable for annual reports on Form 20-F.

9.F. Expenses of the issue

Not applicable for annual reports on Form 20-F.

ITEM 10. ADDITIONAL INFORMATION

10.A. Share capital

Not applicable for annual reports on Form 20-F.

10.B. Memorandum and articles of association

The following are summaries of the material provisions of our amended and restated memorandum and articles of association and the Companies Act, insofar as they relate to the material terms of our Class A Ordinary Shares. They do not purport to be complete. Reference is made to our amended and restated memorandum and articles of association, a copy of which is filed as an exhibit to the annual report (and which is referred to in this section as, respectively, the “memorandum” and the “articles”).

Authorized Shares

The Company may only issue registered shares. Subject to the Company’s Memorandum and Articles of Association, the Company may issue fractions of shares, bonus shares, redeemable shares and may redeem, purchase or otherwise acquire, any of its shares.

Subject to the Companies Act and the Company's Memorandum and Articles of Association, the unissued shares may be issued, and options to acquire shares may be granted, at any time, to any persons (whether or not shareholders), for any consideration and on any terms, the directors decide by a resolution of directors.

A share is taken to be issued when the name of the holder is entered in the Company's register of shareholders as the holder of the share.

Distributions

The holders of our Class A Ordinary Shares are entitled to such dividends or other distributions as may be authorized by our Directors by way of a simple majority decision, subject to the Companies Act and our Memorandum and Articles of Association.

Subject to the Company's Memorandum and Articles of Association, each Class A Ordinary Share confers on the holder (i) the right to an equal share in any distribution paid by the Company in accordance with the Companies Act and the articles and (ii) an equal share on the distribution of any surplus assets of the Company on its liquidation.

Subject to the Company's Amended and Restated Memorandum and Articles of Association, each Class B Ordinary Share confers on the holder (i) the right to an equal share in any distribution paid by the Company in accordance with the Companies Act and the articles and (ii) an equal share on the distribution of any surplus assets of the Company on its liquidation.

Voting rights

Subject to the Company's Memorandum and Articles of Association, each Class A Ordinary Share confers on the holder the right to one (1) vote at a meeting of the shareholders or on any resolution of shareholders, and each Class B Ordinary Share confers on the holder the right to twenty (20) votes at a meeting of the shareholders or on any resolution of shareholders.

Subject to the Company's Memorandum and Articles of Association, a resolution put to a vote at a meeting of shareholders or an annual general meeting ("AGM"), will (in most cases) be passed and become a resolution of shareholders if it is passed by a simple majority of the votes cast in respect of the resolution, at a valid meeting of shareholders (or class of shareholders), by shareholders present (in person or by proxy) at the meeting who are entitled to vote on the resolution. Any action that may be taken by the shareholders at a meeting of shareholders (or class of shareholders) may also be taken by the shareholders (or class of shareholders) passing a written resolution of shareholders without the need for any prior notice to be given. A written resolution of shareholders is passed if signed or consented to (including by way of fax or email) by shareholders (or shareholders of the relevant class) who hold shares carrying a simple majority of the votes that may be cast in respect of the resolution who are entitled to vote on the resolution.

A fraction of a share confers on the holder the rights, obligations and liabilities of a whole share of the same class corresponding to the fraction other than the right to vote. If the holder of a fraction of a share acquires a further fraction of a share of the same class, the fractions will be treated as being consolidated.

Variation of rights

Because the Company has different classes of shares in issue, unless the rights attaching to a class of shares state otherwise, the rights attached to that class may only be varied, whether the Company is a going concern or is being liquidated:

- (a) with the written consent of the holders of the majority of the issued shares of that class;
- (b) by a resolution of shareholders of that class;
- (c) pursuant to clause 6.3 (Automatic conversion of B Shares) of the Company's Memorandum and Articles of Association; or
- (d) pursuant to clause 6.4 (Voluntary conversion of B Shares) of the Company's Memorandum and Articles of Association.

Rights not varied

Pursuant to the Company's Memorandum and Articles of Association, the rights conferred on the holders of any class of shares issued with preferred or other rights will not (unless the rights attaching to the shares of that class expressly state otherwise) be treated as being varied by the creation or issue of further shares ranking after or equally with the shares of that class.

Meetings of shareholders

Any director of the Company or the Chairman may call a meeting of shareholders (or a class of shareholders) if they decide to, and must call a meeting of shareholders (or a class of shareholders) if they are requested to do so in writing by shareholders entitled to exercise at least 30% of voting rights in respect of the matter for which the meeting is requested.

The Company shall hold a meeting of the shareholders in accordance with the Company's Memorandum and Articles of Association, the Companies Act and Nasdaq listing rules.

A quorum is present at a meeting of shareholders or an AGM if one or more shareholders, who hold shares that carry not less than one third percent of the voting rights of all shares then in issue, are present in person or by proxy meeting.

Where a quorum is not present within half an hour of the time set for the start of the meeting, if the meeting was called: (i) at the request of shareholders in accordance with the Companies Act or the Company's Memorandum and Articles of Association, it will be dissolved; or (ii) by the directors, the meeting will be adjourned to the following day and be held at the same time and place or any other date, time and/or place the directors decide by a resolution of directors.

The chairman of a meeting of shareholders or an AGM: (i) may, with the consent of the shareholders present (in person or by proxy); and (ii) must, if directed to do so by a resolution of shareholders, adjourn the meeting to another date, time and/or place. In addition, the chairman of the meeting may, at any time without the consent of the shareholders present (in person or by proxy), adjourn the meeting (whether or not it has commenced or a quorum is present) to another date, time and/or place if the chairman considers that it would facilitate the conduct of the business of the meeting to do so. Nothing in the Company's Memorandum and Articles of Association limits any other power vested in the chairman of the meeting to adjourn the meeting. No business may be conducted at any adjourned meeting other than the business which might have been conducted at the meeting from which the adjournment took place.

Protection of minority shareholders

We would normally expect BVI courts to follow English case law precedents, which would permit a minority shareholder to commence a representative action, or derivative actions in our name, to challenge (1) an act which is ultra vires or illegal, (2) an act which constitutes a fraud against the minority by parties in control of us, (3) an infringement of individual rights of the minority shareholders, (such as the right to vote), and (4) an irregularity in the passing of a resolution which requires a special or extraordinary majority of the shareholders.

Additionally, British Virgin Islands law provides certain shareholder remedies for a minority shareholder whose rights have been breached or who disagrees with the way the Company is being managed. These remedies include an action for unfair prejudice and a derivative action.

No pre-emptive rights

There are no pre-emptive rights applicable to the issue of the Company's Class A Ordinary Shares or Class B Ordinary Shares under either British Virgin Islands law or our Memorandum and Articles of Association.

Transfer of shares

The Class A Ordinary Shares listed on the Nasdaq Capital Market may be transferred without the need for a written instrument of transfer if the transfer is carried out in accordance with the laws, rules, procedures and other requirements applicable to shares listed on the Nasdaq Capital Market (including, but not limited to, the applicable Nasdaq listing rules). The transfer of an Class A Ordinary Share is only effective once the name of the transferee is entered in the register of shareholders.

The Class B Ordinary Shares are not transferrable, and no Class B Ordinary Share may be transferred by a shareholder to any person at any time, save where such transfer is made (i) pursuant to any share surrender, repurchase or redemption or (ii) to a privileged relation (in relation to a holder of Class B Ordinary Shares, his, her or its spouse, children and grandchildren (including step and adopted children and grandchildren) and their legal successors of the holder, a company or other entity over which that holder has control, or a trust set up wholly for the benefit of the holder) or the privileged relations of that holder, in each case in accordance with the Memorandum and Articles of Association.

Automatic conversion of B Shares

Any Class B Ordinary Share that is transferred, assigned, transmitted or otherwise disposed of to a person who is not, immediately prior to such transaction, a holder of a Class B Ordinary Share or a permitted transferee shall automatically convert into a Class A Ordinary Share immediately before the transfer takes effect, without requiring the consent of the Class B Ordinary Share, with such transfer being effective only upon registration in the Company's register of shareholders; provided that the granting of any pledge, charge, encumbrance or other third-party right over a Class B Ordinary Share shall not constitute a transfer unless, and until it is enforced and results in a third party acquiring legal title to the share, in which case the relevant Class B Ordinary Share shall convert to Class A Ordinary Share on a one-for-one basis, and further provided that any Class B Ordinary Share held by a permitted transferee shall similarly and automatically convert into an Class A Ordinary Share on a one-for-one basis, without consent, at the time such holder ceases to qualify as a permitted transferee.

Calls of shares

Subject to the Memorandum and Articles of Association and the rights attaching to any class of shares, our directors may make calls on a shareholder for any amount of the issue price of the shareholder's shares that has not been paid to the Company. A call must be made by giving at least 14 days' written notice of call to the shareholder. A call may be made payable in instalments. The directors may postpone a call or revoke it (in whole or part). A call is taken to have been made at the time the resolution of directors to make the call is passed.

Inspection of books and records

Under the Companies Act, holders of our shares are entitled, upon giving written notice to us, to inspect (i) our Memorandum and Articles of Association, (ii) our register of shareholders, (iii) our register of directors and (iv) minutes of meetings and resolutions of our shareholders, and to make copies and take extracts from these documents and records. However, our directors can refuse access if they are satisfied that to allow such access would be contrary to our interests.

10.C. Material contracts

Other than those described in this annual report, we have not entered into any material agreements other than in the ordinary course of business.

10.D. Exchange controls

The ability of our subsidiaries to pay dividends or make other payments to us may be restricted by exchange control policies in the countries where we operate. There are foreign exchange policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange policies are administered by the Foreign Exchange Administration, an arm of the Bank Negara Malaysia (the Central Bank of Malaysia) ("BNM"). The foreign exchange policies monitor and regulate both residents and non-residents of Malaysia. Under the current Foreign Exchange Administration rules issued by BNM, nonresidents are free to repatriate any amount of funds from Malaysia in foreign currency other than the currency of Israel at any time (subject to limited exceptions), including capital, divestment proceeds, profits, dividends, rental, fees and interest arising from investment in Malaysia, subject to any withholding tax. In the event BNM or any other country where we operate introduces any restrictions in the future, our ability to repatriate dividends or other payments from our subsidiaries in Malaysia or in such other countries may be affected. Since we are a BVI holding company and rely principally on dividends and other payments from our subsidiaries for our cash requirements, any restrictions on such dividends or other payments could materially and adversely affect our liquidity, financial condition and results of operations.

10.E. Taxation

British Virgin Islands Taxation

A holder of shares in a BVI company who is not a resident of the BVI is not required to pay tax in the BVI on (i) dividends paid with respect to the shares, or (ii) any gains realized during that year on sale or disposal of such shares, provided the BVI company does not have a direct or indirect interest in any land in the BVI. The laws of the BVI does not impose a withholding tax on dividends paid by a company incorporated or re-registered under the Companies Act.

There are no capital gains, gift or inheritance taxes levied by the BVI government on companies incorporated or re-registered under the Companies Act. In addition, shares of companies incorporated or re-registered under the Companies Act are not subject to transfer taxes, stamp duties or similar charges, provided the company does not have a direct or indirect interest in any land in the BVI.

There is no income tax treaty currently in effect between the United States and the BVI, however, the BVI has entered into multiple information-exchange arrangements with the United States, including the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information.

Under the current laws of BVI, our company is not subject to tax on income or capital gains.

Malaysia Tax Considerations

The following brief description of Malaysian enterprise income taxation is designed to highlight the enterprise-level taxation on our earnings, which will affect the amount of dividends, if any, we are ultimately able to pay to our shareholders. See “Dividends and Dividend Policy.”

Income Tax in Malaysia

The principal legislation that governs a person’s income tax in Malaysia is the Income Tax Act 1967 (the “ITA”). The regulatory body implementing and enforcing the ITA is the Inland Revenue Board of Malaysia (“IRB”). Pursuant to Section 3 of the ITA, income tax shall be charged for each year of assessment (“YA”) upon the income of any person accruing in or derived from Malaysia or received in Malaysia from outside Malaysia.

Pursuant to Section 8 of the ITA, a company is a tax resident in Malaysia if its management and control are exercised in Malaysia. Management and control are normally considered to be exercised at the place where the directors’ meetings concerning management and control of the company are held. The income tax rate payable by a resident company differs depending on the amount of the company’s paid-up capital and its annual sale in relation to the particular YA. The corporate income tax rates are as illustrated below:

Types of Company	Chargeable income	Tax rate YA 2024
Resident company:		
• with paid-up capital of 2.5 million Malaysian ringgit (MYR) or less, and gross income from business of not more than MYR 50 million	On the first RM150,000	15%
• that does not control, directly or indirectly, another company that has paid-up capital of more than MYR 2.5 million	RM150,001 to RM600,000	17%
• is not controlled, directly or indirectly, by another company that has paid-up capital of more than MYR 2.5 million, and	RM600,001 and Subsequent Balance	24%
• with no more than 20% of its paid-up capital being owned, directly or indirectly, by a foreign company or non-Malaysian citizen (with effect from year of assessment 2024)		
Company other than the above category		24%

Pursuant to the ITA, a non-resident company - namely, a company whose management and control are not exercised in Malaysia and thus does not fall under the purview of Section 8 of the ITA - is subject to the following tax rates:

Types of Income	Rate (%)
Business income.	24
Royalties derived from Malaysia.	10
Rental of moveable properties.	10
Advice, assistance, or services rendered in Malaysia.	10
Interest.	15*
Dividends.	Exempt
Other income.	10

Note: Where the recipient is resident in a country that has a double tax agreement with Malaysia, the tax rates for the specific sources of income may be reduced.

* Interest paid to a non-resident by a bank or a finance company in Malaysia is exempt from tax.

Foreign-Sourced Income

Malaysia adopts a territorial principle of taxation, under which only income accruing in or derived from or received in Malaysia from outside Malaysia is subject to income tax in Malaysia pursuant to Section 3 of the ITA. Previously, “income received in Malaysia from outside Malaysia” or “foreign-sourced income” (“FSI”) received by Malaysian taxpayers is not taxable due to the availability of tax exemption under Paragraph 28, Schedule 6 of the ITA (“Para 28”). This exemption is applicable to any person other than a resident company carrying on the business of banking, insurance, or sea or air transport, in respect of income derived from sources outside Malaysia and received in Malaysia, pursuant to Para 28. On October 29, 2021, however, the Malaysian government announced via the Budget 2022 that the exemption under Para 28 will no longer be applicable to tax residents, effective from January 1, 2022. Therefore, income tax will be imposed on resident persons in Malaysia on income derived from foreign sources and received in Malaysia with effect from January 1, 2022. Such income will be treated equally vis-à-vis income accruing in or derived from Malaysia and taxable under Section 3 of the ITA.

In summary, the tax treatments for the income of a person in Malaysia are depicted as follows:

Income Derived From	Income Received In	Prior to January 1, 2022	Effective from January 1, 2022
Malaysia	Malaysia	Taxable	Taxable
Malaysia	Malaysia from outside Malaysia	Taxable	Taxable
Overseas	Malaysia from outside Malaysia	Tax Exempted	Taxable
Overseas	Overseas	Tax Exempted	Tax Exempted

On November 16, 2021, the IRB announced the Special Income Remittance Program (“SIRP”) for Malaysian tax residents whose income is derived from foreign sources and received in Malaysia. The implementation of taxation on FSI is staggered into the following two timelines, depending on the timing of remittance of FSI into Malaysia: (i) during the period from January 1 to June 30, 2022 (six months) (the “SIRP Period”), FSI remitted shall be taxed at a fixed rate of 3% on the gross amount of income remitted; and (ii) on or after July 1, 2022, FSI remitted shall be taxed at the prevailing tax rate applicable to tax residents on the statutory income, namely, gross FSI less expenses attributable to the FSI. FSI remitted under the SIRP will be accepted in good faith by the IRB as the IRB will not conduct an audit or investigation on the taxpayer. In addition, the IRB will not impose any penalty on FSI remitted during the SIRP Period.

Notwithstanding the implementation of taxation on FSI, the Malaysian Ministry of Finance announced on December 30, 2021 that exemption from income tax would be available for a period of five years on certain categories of FSI received by Malaysian tax residents, when certain qualifying conditions are met. Specifically, (i) for individuals excluding those carrying on business in Malaysia through a partnership, all categories of FSI are exempted; and (ii) for companies and limited liability partnerships, foreign-sourced dividend income is exempted. To legislate the above, the following Orders were gazetted on 19 July 2022 and are effective from January 1, 2022 to December 31, 2026.

Profit Distribution and Withholding Tax

We are a holding company incorporated as a business company in the British Virgin Islands and we gain substantial income by way of dividends to be paid to us from Sagtec Group Sdn Bhd and CL Technologies (International) Sdn Bhd (Malaysia), our direct subsidiary company in Malaysia.

Malaysia is under the single-tier tax system, under which income tax imposed on a company’s chargeable income is a final tax, and dividends distributed are exempt from tax in the hands of the shareholders pursuant to Section 108 of the ITA. As such, companies are not required to deduct tax from dividends paid to shareholders, and no tax credits will be available to offset against the recipient’s tax liability. Corporate shareholders receiving exempt single-tier dividends can, in turn, distribute such dividends to their own shareholders, who are also exempt on such receipts. In addition, while Malaysia imposes withholding tax on certain payments, such as interest, royalties, contract payments, and special classes of income, Malaysia does not do so on dividends in addition to tax on the profits out of which the dividends are declared. Such position aligns with the double taxation agreements (“DTAs”) concluded by Malaysia with an extensive number of countries, including the United States. Pursuant to the DTAs, no withholding tax will be imposed on dividends paid by Malaysian companies to non-residents.

United States Federal Income Tax Considerations

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of our Class A Ordinary Shares by a U.S. Holder (as defined below) that acquires our Class A Ordinary Shares and holds our Class A Ordinary Shares as “capital assets” (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended, or the Code. This discussion is based upon existing U.S. federal tax law, which is subject to differing interpretations or change, possibly with retroactive effect. No ruling has been sought from the Internal Revenue Service, or the IRS, with respect to any U.S. federal income tax considerations described below, and there can be no assurance that the IRS or a court will not take a contrary position. This discussion, moreover, does not address the U.S. federal estate, gift, and alternative minimum tax considerations, the Medicare tax on certain net investment income, information reporting or backup withholding or any state, local, and non-U.S. tax considerations, relating to the ownership or disposition of our Class A Ordinary Shares. The following summary does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances or to persons in special tax situations such as:

- banks and other financial institutions;
- insurance companies;
- pension plans;
- cooperatives;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to use a mark-to-market method of accounting;
- certain former U.S. citizens or long-term residents;
- tax-exempt entities (including private foundations);
- individual retirement accounts or other tax-deferred accounts;
- persons liable for alternative minimum tax;
- persons who acquire their Class A Ordinary Shares pursuant to any employee share option or otherwise as compensation;
- investors that will hold their Class A Ordinary Shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes;
- investors that have a functional currency other than the U.S. dollar;
- persons that actually or constructively own 10% or more of our Class A Ordinary Shares (by vote or value); or
- partnerships or other entities taxable as partnerships for U.S. federal income tax purposes, or persons holding the Class A Ordinary Shares through such entities,

all of whom may be subject to tax rules that differ significantly from those discussed below.

Each U.S. Holder is urged to consult its tax advisor regarding the application of U.S. federal taxation to its particular circumstances, and the state, local, non-U.S., and other tax considerations of the ownership and disposition of our Class A Ordinary Shares.

General

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of our Class A Ordinary Shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in, or organized under the laws of the United States or any state thereof or the District of Columbia;
- an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust (i) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust, or (ii) that has otherwise validly elected to be treated as a U.S. person under the Code.
- If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our Class A Ordinary Shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding our Class A Ordinary Shares and their partners are urged to consult their tax advisors regarding an investment in our Class A Ordinary Shares.

Passive Foreign Investment Company Considerations

A non-U.S. corporation, such as our company, will be classified as a PFIC for U.S. federal income tax purposes for any taxable year if either (i) 75% or more of its gross income for such year consists of certain types of “passive” income or (ii) 50% or more of the value of its assets (determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income, or the asset test. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets. Passive assets are those which give rise to passive income, and include assets held for investment, as well as cash, assets readily convertible into cash, and working capital. The company’s goodwill and other unbooked intangibles are taken into account and may be classified as active or passive depending upon the relative amounts of income generated by the company in each category. We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the stock.

Based upon our current and projected income and assets and projections as to the market price of our Class A Ordinary Shares, we do not expect to be a PFIC for the current taxable year or the foreseeable future. However, no assurance can be given in this regard because the determination of whether we are or will become a PFIC is a factual determination made annually that will depend, in part, upon the composition and classification of our income and assets, including the relative amounts of income generated by our potential strategic investment business as compared to our other businesses, and the value of the assets held by our potential strategic investment business as compared to our other businesses. Because there are uncertainties in the application of the relevant rules, it is possible that the IRS may challenge our classification of certain income and assets as non-passive, which may result in our being or becoming classified as a PFIC in the current or subsequent years. Furthermore fluctuations in the market price of our Class A Ordinary Shares may cause us to be a PFIC for the current or future taxable years because the value of our assets for purposes of the asset test, including the value of our goodwill and unbooked intangibles, may be determined by reference to the market price of our Class A Ordinary Shares from time to time (which may be volatile). In estimating the value of our goodwill and other unbooked intangibles, we have taken into account our market capitalization. Among other matters, if our market capitalization is less than anticipated or subsequently declines, we may be or become a PFIC for the current or future taxable years. The composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets and the cash raised in the initial public offering. Under circumstances where our revenues from activities that produce passive income significantly increases relative to our revenues from activities that produce non-passive income, or where we determine not to deploy significant amounts of cash for active purposes, our risk of becoming a PFIC may substantially increase.

If we are a PFIC for any year during which a U.S. Holder holds our Class A Ordinary Shares, we generally will continue to be treated as a PFIC for all succeeding years during which such U.S. Holder holds our Class A Ordinary Shares unless, in such case, we cease to be treated as a PFIC and such U.S. Holder makes a deemed sole election.

The discussion below under “-Dividends” and “-Sale or Other Disposition” is written on the basis that we will not be or become classified as a PFIC for U.S. federal income tax purposes. The U.S. federal income tax rules that apply generally if we are treated as a PFIC are discussed below under “-Passive Foreign Investment Company Rules.”

Dividends

Any cash distributions paid on our Class A Ordinary Shares out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, will generally be includible in the gross income of a U.S. Holder as dividend income on the day actually or constructively received by the U.S. Holder. Because we do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles, any distribution we pay will generally be treated as a “dividend” for U.S. federal income tax purposes. Dividends received on our Class A Ordinary Shares will not be eligible for the dividends received deduction allowed to corporations in respect of dividends-received from U.S. corporations.

Individuals and other non-corporate U.S. Holders may be subject to tax on any such dividends at the lower capital gain tax rate applicable to “qualified dividend income,” provided that certain conditions are satisfied, including that (i) our Class A Ordinary Shares on which the dividends are paid are readily tradable on an established securities market in the United States, (ii) we are neither a PFIC nor treated as such with respect to a U.S. Holder for the taxable year in which the dividend is paid and the preceding taxable year, and (iii) certain holding period requirements are met. There can be no assurance that the Class A Ordinary Shares will continue to be considered readily tradable on an established securities market in later years. U.S. Holders are urged to consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to the Class A Ordinary Shares.

For U.S. foreign tax credit purposes, dividends paid on our Class A Ordinary Shares will generally be treated as income from foreign sources and will generally constitute passive category income. The rules governing the foreign tax credit are complex and U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale or Other Disposition

A U.S. Holder will generally recognize gain or loss upon the sale or other disposition of Class A Ordinary Shares in an amount equal to the difference between the amount realized upon the disposition and the holder’s adjusted tax basis in such Class A Ordinary Shares. Such gain or loss will generally be capital gain or loss. Any such capital gain or loss will be long term if the Class A Ordinary Shares have been held for more than one year. Non-corporate U.S. Holders (including individuals) generally will be subject to United States federal income tax on long-term capital gain at preferential rates. The deductibility of a capital loss may be subject to limitations. Any such gain or loss that the U.S. Holder recognizes will generally be treated as U.S. source income or loss for foreign tax credit limitation purposes, which could limit the availability of foreign tax credits. Each U.S. Holder is advised to consult its tax advisor regarding the tax consequences if a foreign tax is imposed on a disposition of our Class A Ordinary Shares, including the applicability of any tax treaty and the availability of the foreign tax credit under its particular circumstances.

Passive Foreign Investment Company Rules

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our Class A Ordinary Shares, and unless the U.S. Holder makes a mark-to-market election (as described below), the U.S. Holder will generally be subject to special tax rules on (i) any excess distribution that we make to the U.S. Holder (which generally means any distribution paid during a taxable year to a U.S. Holder that is greater than 125 percent of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the Class A Ordinary Shares), and (ii) any gain realized on the sale or other disposition, including, under certain circumstances, a pledge, Class A Ordinary Shares. Under the PFIC rules:

- the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period for the Class A Ordinary Shares;
- the amount allocated to the current taxable year and any taxable years in the U.S. Holder's holding period prior to the first taxable year in which we are classified as a PFIC (each, a "pre-PFIC year"), will be taxable as ordinary income; and
- the amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect for individuals or corporations, as appropriate, for that year, increased by an additional tax equal to the interest on the resulting tax deemed deferred with respect to each such taxable year.

As an alternative to the foregoing rules, a U.S. Holder of "marketable stock" (as defined below) in a PFIC may make a mark-to-market election with respect to such stock. If a U.S. Holder makes this election with respect to our Class A Ordinary Shares, the holder will generally (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of Class A Ordinary Shares held at the end of the taxable year over the adjusted tax basis of such Class A Ordinary Shares and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the Class A Ordinary Shares over the fair market value of such Class A Ordinary Shares held at the end of the taxable year, but such deduction will only be allowed to the extent of the net amount previously included in income as a result of the mark-to-market election. The U.S. Holder's adjusted tax basis in the Class A Ordinary Shares would be adjusted to reflect any income or loss resulting from the mark-to-market election. If a U.S. Holder makes a mark-to-market election in respect of our Class A Ordinary Shares and we cease to be classified as a PFIC, the holder will not be required to take into account the gain or loss described above during any period that we are not classified as a PFIC. If a U.S. Holder makes a mark-to-market election, any gain such U.S. Holder recognizes upon the sale or other disposition of our Class A Ordinary Shares in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as ordinary loss, but such loss will only be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election.

The mark-to-market election is available only for "marketable stock," which is stock that is traded in other than de minimis quantities on at least 15 days during each calendar quarter, or regularly traded, on a qualified exchange or other market, as defined in applicable United States Treasury regulations. Our Class A Ordinary Shares will be treated as marketable stock upon their listing on Nasdaq Capital Market. We anticipate that our Class A Ordinary Shares should qualify as being regularly traded, but no assurances may be given in this regard.

Because a mark-to-market election cannot technically be made for any lower-tier PFICs that we may own, a U.S. Holder may continue to be subject to the PFIC rules with respect to such U.S. Holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

We do not intend to provide information necessary for U.S. Holders to make qualified electing fund elections which, if available, would result in tax treatment different from (and generally less adverse than) the general tax treatment for PFICs described above.

If a U.S. Holder owns our Class A Ordinary Shares during any taxable year that we are a PFIC, the holder must generally file an annual IRS Form 8621. You should consult your tax advisor regarding the U.S. federal income tax consequences of owning and disposing of our Class A Ordinary Shares if we are or become a PFIC.

10.F. Dividends and paying agents

Not applicable for annual reports on Form 20-F.

10.G. Statement by experts

Not applicable for annual reports on Form 20-F.

10.H. Documents on display

We are subject to the information requirements of the Exchange Act. In accordance with these requirements, the Company files reports and other information with the SEC. You may read and copy any materials filed with the SEC at <http://www.sec.gov> that contains reports and other information regarding registrants that file electronically with the SEC.

10.I. Subsidiary Information

Not applicable.

10.J. Annual Report to Security Holders

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Currency Risk

The Group expose to foreign currency risk due to transactions and balances denominated in currencies other than the functional currency of the respective entities of the Group, with the primary risk arising from the Chinese Renminbi (“RMB”). The Group closely monitor foreign currency risk on an ongoing basis to ensure that our net exposure remains at an acceptable level.

The company is subject to minimal foreign currency risk due to its foreign supplier policy of making prepayments in advance of delivery, thus eliminating the need for credit terms.

Interest Rate Risk

The Group exposed to interest rate risk arise mainly from interest-bearing bank loans. The interest rates and repayment terms of these loans are disclosed in Note 14 of the financial statements. Currently, The Group does not have an interest rate hedging policy. The sensitivity analysis below is based on our exposure to interest rates for non-derivative instruments at the end of the reporting period.

We use a 50-basis point increase or decrease to report interest rate risk internally to key management personnel, as this represents management’s assessment of a reasonably possible change in interest rates. If interest rates on loans had been 50 basis points higher or lower, with all other variables held constant, our profit would decrease or increase by approximately RM15,098 for the year ended December 31, 2025, and RM16,707 for the year ended December 31, 2024.

Liquidity Risk

Liquidity risk arises mainly due to general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities. The table below analyses non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, which includes both principal and interest. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	As of			
	December 31, 2023	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	RM	Convenience Translation USD
Bank borrowings				
Repayment within:				
Less than 1 year	773,744	976,072	1,515,098	373,315
Between 1 and 2 years	773,744	963,436	1,515,681	373,459
Between 2 and 5 years	1,823,933	1,693,768	2,805,652	691,303
Over 5 years	38,102	288,536	126,513	31,172
Bank overdraft				
Repayment within less than 1 year	1,064,530	104,587	-	-
Lease liabilities				
Repayment within:				
Less than 1 year	57,084	60,204	382,416	94,226
Between 1 and 2 years	60,204	61,884	364,216	89,742
Between 2 and 5 years	98,532	45,732	672,552	165,714
Over 5 years	20,426	11,342	92,312	22,745
Trade payables				
Repayment within less than 1 year	423,787	-	335,070	82,559
Other payables				
Repayment within less than 1 year	692,841	422,973	1,749,353	431,035
Amount due to director				
Repayment within less than 1 year	137,181	-	-	-
Amount due to shareholder				
Repayment within less than 1 year	886	-	-	-

Credit Risk

Credit risk primarily arises from the possibility of customers failing to fulfill their payment obligations for the services provided. The Group addresses this risk by conducting thorough customer screening and segmentation based on creditworthiness, setting appropriate credit limits, and enforcing stringent payment terms such as upfront payments and short billing cycles.

Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due to the Company under the contract, and the cash flows that the Company expects to receive. The Company assesses all information available, including past due status, and forward looking macro-economic factors in the measurement of the expected credit losses associated with its assets carried at amortized cost.

	As of			
	December 31, 2023	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	RM	Convenience Translation USD
Trade receivables				
Collection within less than 1 year	1,990,414	8,409,351	11,204,601	2,760,774
Other receivables				
Collection within less than 1 year	4,513,832	2,867,160	508,958	125,406
Lifetime expected credit loss				
As at January 1	90,205	-	-	-
Add: Charge for the year	-	-	1,229,403	302,921
Less: Written off during the year	(90,205)	-	-	-
As at December 31	-	-	1,229,403	302,921

For the year ended December 31, 2024 and December 31, 2023, the company made a deliberate decision to abstain from setting aside any provision for doubtful debt, given the fact that by February 28, 2025 and March 21, 2024 respectively, the company had successfully received complete settlement of all outstanding amounts owed by trade receivables. For the year ended December 31, 2025, the company recognizes expected credit losses (“ECL”) for accounts receivable based on the simplified approach. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the accounts receivable.

Capital Risk Management

The Group manages its capital to ensure that entities within our Company will be able to maintain an optimal capital structure so as to support our businesses and maximize shareholders value. To achieve this objective, we may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manage its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as lease liability, borrowings and bank overdraft plus trade and other payables less cash and bank balances. Total capital is calculated as total equity plus net debts. Capital includes equity attributable to the owners of the parent and non-controlling interest.

	As of			
	December 31, 2023	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	RM	Convenience Translation USD
Net debt/(Net cash)	3,478,485	2,298,706	(2,670,486)	(657,998)
Total equity	10,218,691	17,384,201	102,011,998	25,135,395
Total capital	13,697,176	19,682,907	99,341,512	24,477,397
Gearing ratio	25.40%	11.68%	(2.69)%	(2.69)%

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

12.A. Debt Securities

Not applicable.

12.B. Warrants and Rights

Not applicable.

12.C. Other Securities

Not applicable.

12.D. American Depositary Shares

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

We do not have any material defaults in the payment of principal, interest, or any installments under a sinking or purchase fund.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITIES HOLDERS AND USE OF PROCEEDS

14.A. - 14.D. Material Modifications to the Rights of Security Holders

See “Item 10. Additional Information” for a description of the rights of shareholders, which remain unchanged.

14.E. Use of Proceeds

The following “Use of Proceeds” information relates to the registration statement on Form F-1 (File No. 333- 284053), as amended, including the annual report contained therein, which registered 1,750,000 Class A Ordinary Shares (formerly ordinary shares of no par value) and was declared effective by the SEC on March 31, 2025, for our initial public offering, which completed on March 10, 2025, at an initial offering price of US\$4.00 per Class A Ordinary Share (formerly per ordinary share of no par value). Benchmark Company, LLC was the representative of the underwriters.

In connection with the issuance and distribution of the Class A Ordinary Shares (formerly ordinary shares of no par value) in our initial public offering, our expenses incurred and paid to others totaled approximately US\$2,141,177, which included US\$490,000 for underwriting discounts and commissions. None of the transaction expenses included direct or indirect payments to directors or officers of our company or their associates, persons owning more than 10% or more of our equity securities or our affiliates or others. We received an aggregate net proceeds of approximately US\$6,292,881 from our initial public offering.

As of the date of this annual report, we have fully utilized the net proceeds from its initial public offering. The proceeds have been applied in a manner consistent with the intended use of proceeds as disclosed in the Company’s registration statement on Form F-1 (File No. 333- 284053).

ITEM 15. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report, as required by Rule 13a-15(b) under the Exchange Act.

Based upon that evaluation, our management has concluded that, as of December 31, 2025, our disclosure controls and procedures were ineffective as our management has identified a material weakness that has been identified related to our lack of sufficient financial reporting and accounting personnel with appropriate knowledge of the generally accepted International Financial Reporting Standards (“IFRS”) and SEC reporting requirements to properly address complex IFRS accounting issues and to prepare and review our consolidated financial statements and related disclosures to fulfill IFRS and SEC financial reporting requirements. The other material weakness that has been identified related to our lack of comprehensive accounting policies and procedures manual in accordance with IFRS.

To remedy the identified material weaknesses, we have implemented and will continue to implement several measures to improve our internal control over financial reporting, including: (i) that we engaged experienced financial consultant who worked closely with our internal finance team to assist us in preparing our financial statements and related disclosures in accordance with IFRS; (ii) that our Chief Financial Officer received additional training in IFRS through self-study and webinar courses, and began to periodically review major accounting literature updates provided by a major accounting firm which provide an overview of recent U.S. accounting pronouncements. (iii) conducting regular and continuous IFRS training programs and webinars for our financial reporting and accounting personnel; (iv) improving financial oversight function for handling complex accounting issues under IFRS. However, the implementation of these measures may not fully address the deficiencies in our internal control over financial reporting. We are not able to estimate with reasonable certainty the costs that we will need to incur to implement these and other measures designed to improve our internal control over financial reporting. See “Risk Factors-Risks Relating to Our Business and Industry- *If we fail to implement and maintain an effective system of internal controls to remediate our material weaknesses over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations, or prevent fraud.*”

Pursuant to the JOBS Act, we qualify as an “emerging growth company as we recorded revenues less than US\$1.235 billion in our most recent fiscal year, which allows us to take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act, in the assessment of the emerging growth company’s internal control over financial reporting.

Neither we nor our independent registered public accounting firm undertook a comprehensive assessment of our internal control under the Sarbanes-Oxley Act for purposes of identifying and reporting any weakness in our internal control over financial reporting, which, however, will be required once we become a public company and after we cease to be an “emerging growth company” as such term is defined in the JOBS Act. Had we performed a formal assessment of our internal control over financial reporting or had our independent registered public accounting firm performed an audit of our internal control over financial reporting, additional control deficiencies may have been identified.

(b) Management’s annual report on internal control over financial reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act. Our management evaluated the effectiveness of our internal control over financial reporting, as required by Rule 13a-15(c) of the Exchange Act, based on criteria established in the framework in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management has concluded that our internal control over financial reporting was not effective as of December 31, 2025 due to a material weakness identified in our internal control over financial reporting as described above.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness of our internal control over financial reporting to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

(c) Attestation report of the registered public accounting firm.

This annual report on Form 20-F does not include an attestation report of our registered public accounting firm because we qualified as an “emerging growth company” as defined under the JOBS Act as of December 31, 2025.

(d) Changes in internal control over financial reporting.

There have been no changes in our internal controls over financial reporting occurred during the fiscal year ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [Reserved]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Mr. Chen, Ms. Lockman and Mr. Ng serve on the audit committee, chaired by Mr. Chen Xiang Foong. Our Board has determined that each are “independent” for audit committee purposes as that term is defined by the rules of the SEC and Nasdaq, and that each has sufficient knowledge in financial and auditing matters to serve on the audit committee. Our Board has designated Mr. Chen Xiang Foong as an “audit committee financial expert,” and has the accounting or financial management expertise as required under Item 407(d)(5)(ii) and (iii) of Regulation S-K of the SEC.

ITEM 16B. CODE OF ETHICS

The Company has adopted a Code of Business Conduct and Ethics that applies to the Company’s directors, officers, employees and advisors. The Code of Business Conduct and Ethics has been incorporated by reference herewith as Exhibit 11.1 to this annual report.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Onestop Assurance PAC. was appointed by the Company to serve as its independent registered public accounting firm for fiscal years ended December 31, 2025, 2024 and 2023. Audit services provided by Onestop Assurance PAC. for fiscal years ended December 31, 2025, 2024 and 2023 included the examination of the consolidated financial statements of the Company.

Fees Paid to Independent Registered Public Accounting Firm**Auditor Fees**

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by Onestop Assurance PAC, our independent registered public accounting firms, for the periods indicated.

Services	Year Ended March 31,		
	2023	2024	2025
	US\$	US\$	US\$
Audit Fees ⁽¹⁾ - Onestop Assurance PAC	152,500	202,000	170,000
Total	152,500	202,000	170,000

(1) Audit fees include the aggregate fees billed in each of the fiscal years for professional services rendered by our independent registered public accounting firm for the audit of our annual financial statements, review of the interim financial statements and for the audits of our financial statements in connection with our initial public offering, and comfort letter in connection with the underwritten public offering.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by our independent registered public accounting firm, including audit services and audit-related services as described above, other than those for de minimus services which are approved by the audit committee prior to the completion of the audit.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

As a company listed on the Nasdaq Capital Market, we are subject to the Nasdaq corporate governance listing standards. However, Nasdaq rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the British Virgin Islands, which is our home country, may differ significantly from the Nasdaq corporate governance listing standards.

On November 19, 2025, we obtained an exemption letter from our BVI counsel, Mourant Ozannes, relying on Nasdaq Marketplace Rule 5615(a)(3), which allows foreign private issuers to follow home country practice with respect to certain corporate governance requirements. The company held an extraordinary general meeting in August 2025.

Despite relying on these exemptions, we continue to adhere to certain Nasdaq corporate governance requirements, such as maintaining a majority of independent directors on our board, conducting regular executive sessions attended solely by independent directors, and ensuring that our audit committee is comprised entirely of independent directors who meet the qualifications set forth in Rule 10A-3 under the Exchange Act. We may, in the future, rely on other exemptions under Nasdaq rules to follow home country practices for additional corporate governance requirements. See “Item 3. Key Information-D. Risk Factors-Risks Related to Our Capital Structure- *As a company incorporated in the BVI, we are permitted to follow certain home country practices in relation to corporate governance matters in lieu of certain requirements under Nasdaq corporate governance listing rules. These practices may afford less protection to shareholders than they would enjoy if we complied fully with Nasdaq corporate governance listing standards.*”

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

We have adopted insider trading policies governing the purchase, sale, and other dispositions of our securities by directors, senior management, and employees. A copy of the insider trading policies has been incorporated by reference herewith as Exhibit 11.2 to this annual report.

ITEM 16K. CYBERSECURITY

Our Board of Directors is responsible for reviewing the Company’s cybersecurity risk management and control systems in relation to the financial reporting by the Company, including the Company’s cybersecurity strategy. We maintain a process for assessing, identifying and managing material risks from cybersecurity threats, including risks relating to disruption of business operations or financial reporting systems, intellectual property theft; fraud; extortion; harm to employees or customers; violation of privacy laws and other litigation and legal risk; and reputational risk, as part of our overall risk management system and processes. We assess and manage our cybersecurity risks through our Information Technologies (“IT”) Committee, which is integrated by the Chief Executive Officer and the Chief Financial Officer. The Chief Executive Officer presents to our Board of Directors, on a yearly basis, the work carried out on the identification, categorization, and mitigation procedures put in place in relation to the most relevant risks of the company, including cybersecurity risks. In this sense, risks related to cybersecurity have been categorized as “high relevance” for the Company.

Our IT department is responsible for targeted and regular monitoring of cybersecurity risks. They independently and continuously monitor cybersecurity risks and countermeasures to defend against such threats and, in the event of a cybersecurity threat or cybersecurity incident, inform executive management and our Board of Directors. In addition to the regular meetings between executive management and the individual risk owners mainly consisting out of the various departments’ heads, a comprehensive cybersecurity risk analysis for internal and external risks is carried out as appropriate.

According to the priority of the cybersecurity risks as result of the risk evaluation, risks are addressed by concrete actions and, if appropriate and possible, necessary countermeasures. In order to be able to react quickly and flexibly to cybersecurity risks, risk management is integrated into existing processes and reporting channels. Our risk management program considers cybersecurity risks alongside other company risks, and our enterprise risk professionals consult with company subject matter experts to gather information necessary to identify cybersecurity risks and evaluate their nature and severity, as well as identify mitigations and assess the impact of those mitigations on residual risk. We may engage third parties from time to time to conduct risk assessments.

PART III

ITEM 17. FINANCIAL STATEMENTS

See “Item 18. Financial Statements.”

ITEM 18. FINANCIAL STATEMENTS

Our consolidated financial statements are included at the end of this annual report, beginning with page F-1.

ITEM 19. EXHIBITS TO

Exhibit No.	Description of Exhibit
1.1*	Amended and Restated Memorandum and Articles of Association of Sagtec Global Limited
2.1*	Description of Securities
4.1	Employment Agreement by and between Sagtec Global Limited and Ng Chen Lok dated June 27, 2024 (incorporated by reference to Exhibit 10.1 to our registration statement on Form F-1 (File No. 333-284053), as amended, initially filed with the SEC on December 26, 2024).
4.2	Employment Agreement by and between Sagtec Global Limited and Tan Kim Chuan dated June 27, 2024 (incorporated by reference to Exhibit 10.2 to our registration statement on Form F-1 (File No. 333-284053), as amended, initially filed with the SEC on December 26, 2024).
4.3	Director Offer Letter by and between Sagtec Global Limited and Zuria Hajar Bt Mohd Adnan dated June 27, 2024 (incorporated by reference to Exhibit 10.3 to our registration statement on Form F-1 (File No. 333-284053), as amended, initially filed with the SEC on December 26, 2024).
4.4	Director Offer Letter by and between Sagtec Global Limited and Loong Xin Yee dated June 27, 2024 (incorporated by reference to Exhibit 10.4 to our registration statement on Form F-1 (File No. 333-284053), as amended, initially filed with the SEC on December 26, 2024).
4.5	Director Offer Letter by and between Sagtec Global Limited and Elain binti Lockman (incorporated by reference to Exhibit 10.2 to our Current Report on Form 6-K (File No. 001-42551), filed with the SEC on May 23, 2025).
4.6	Director Offer Letter by and between Sagtec Global Limited and Ng Aik Soon (incorporated by reference to Exhibit 10.1 to our Current Report on Form 6-K (File No. 001-42551), filed with the SEC on January 21, 2026).
4.7	Director Offer Letter by and between Sagtec Global Limited and Chen Xiang Foong (incorporated by reference to Exhibit 10.1 to our Current Report on Form 6-K (File No. 001-42551), filed with the SEC on May 23, 2025).
8.1	List of Subsidiaries (incorporated by reference to Exhibit 21.1 to our registration statement on Form F-1 (File No. 333-284053), as amended, initially filed with the SEC on December 26, 2024).
11.1	Code of Ethics (incorporated by reference to Exhibit 14.1 to our registration statement on Form F-1 (File No. 333-284053), as amended, initially filed with the SEC on December 26, 2024).
11.2	Insider Trading Policy (incorporated by reference to Exhibit 14.2 to our registration statement on Form F-1 (File No. 333-284053), as amended, initially filed with the SEC on December 26, 2024).

12.1*	Certification of Chief Executive Officer Required by Rule 13a-14(a).
12.2*	Certification of Chief Financial Officer Required by Rule 13a-14(a).
13.1**	Certification of Chief Executive Officer Required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code
13.2**	Certification of Chief Financial Officer Required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code
15.1*	Consent of Onestop Assurance PAC
97.1	Executive Compensation Recovery Policy (incorporated by reference to Exhibit 14.3 to our registration statement on Form F-1 (File No. 333-284053), as amended, initially filed with the SEC on December 26, 2024)
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed with this annual report on Form 20-F

** Furnished with this annual report on Form 20-F

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Sagtec Global Limited

By: /s/ Ng Chen Lok

Name: Ng Chen Lok

Title: Chairman, Chief Executive Officer and
Executive Director

Date: April 29, 2026

SAGTEC GLOBAL LIMITED

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
Sagtec Global Limited

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Sagtec Global Limited and its Subsidiaries (collectively, the “Group”) as of December 31, 2025 and 2024 and the related consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2025 and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Group’s management. Our responsibility is to express an opinion on the Group’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Group in accordance with the United States federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Group is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Group’s auditor since 2023.

/s/ Onestop Assurance PAC

Singapore

April 29, 2026

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2025

		As of		
	Note	December 31, 2024	December 31, 2025	December 31, 2025
		RM	RM	Convenience Translation USD
ASSETS				
Non-current assets				
Plant and equipment	7	14,253,818	39,086,576	9,630,794
Right-of-use assets	8	170,026	1,410,228	347,475
Prepayments	11	-	51,058,607	12,580,660
Total non-current assets		14,423,844	91,555,411	22,558,929
Current assets				
Trade receivables, net	9	8,409,351	9,975,198	2,457,853
Other receivables	10	2,867,160	508,958	125,406
Prepayments	11	-	3,761,758	926,884
Cash and short term deposits	12	1,654,146	10,861,937	2,676,344
Total current assets		12,930,657	25,107,851	6,186,487
Total assets		27,354,501	116,663,262	28,745,416
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	9	-	335,070	82,559
Other payables	10	1,172,737	1,749,353	431,035
Provisions	14	441,353	25,296	6,233
Tax payable	16	3,918,926	5,143,639	1,267,375
Lease liabilities	8	52,768	323,500	79,709
Bank overdraft	15	104,587	-	-
Bank borrowings	15	736,481	1,173,088	289,045
Total current liabilities		6,426,852	8,749,946	2,155,956
Non-current liabilities				
Lease liabilities	8	109,809	1,036,738	255,449
Bank borrowings	15	2,526,234	3,859,445	950,954
Deferred tax liabilities	16	907,405	1,005,135	247,662
Total non-current liabilities		3,543,448	5,901,318	1,454,065
Total liabilities		9,970,300	14,651,264	3,610,021
Equity				
Share capital, 10,800,000 common shares issued and outstanding with no par value, unlimited authorized share	4	1,145,780	1,145,780	282,317
Issuance of 8,850,000 ordinary shares with no par value	4	-	77,333,584	19,054,720
Reserves	17	3,280,388	3,280,388	808,276
Retained earnings		12,365,963	19,451,649	4,792,818
Shareholders' equity		16,792,131	101,211,401	24,938,131
Non-controlling interest		592,070	800,597	197,264
Total equity		17,384,201	102,011,998	25,135,395
Total liabilities and equity		27,354,501	116,663,262	28,745,416

The accompanying notes are an integral part of these consolidated financial statements.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025

	<u>Note</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2025</u> <u>Convenience</u> <u>Translation</u>
		<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>USD</u>
Revenue	18	24,292,181	51,999,379	77,510,474	19,098,306
Revenue from related parties		4,988,468	-	-	-
Total revenue		29,280,649	51,999,379	77,510,474	19,098,306
Cost of sales	19	(21,112,777)	(39,841,428)	(59,885,461)	(14,755,566)
Total cost of sales		(21,112,777)	(39,841,428)	(59,885,461)	(14,755,566)
Gross profit		8,167,872	12,157,951	17,625,013	4,342,740
Selling and administrative expenses	20	(2,156,947)	(1,970,324)	(7,955,669)	(1,960,248)
Selling and administrative expenses from related parties	20	(571,243)	(698,802)	(1,011,040)	(249,117)
Disposal Gain		662,701	-	-	-
Income from operations before income tax		6,102,383	9,488,825	8,658,304	2,133,375
Other income		85,198	311,744	1,248,127	307,534
Finance costs		(164,491)	(262,176)	(246,123)	(60,644)
Profit before income tax		6,023,090	9,538,393	9,660,308	2,380,265
Income tax expense	16	(1,366,789)	(2,372,883)	(2,366,095)	(582,997)
Net profit for the period, representing total comprehensive income for the year		4,656,301	7,165,510	7,294,213	1,797,268
Profit attributable to:					
Equity owners of the Company		4,476,259	6,926,414	7,085,686	1,745,888
Non-controlling interests		180,042	239,096	208,527	51,380
Total		4,656,301	7,165,510	7,294,213	1,797,268
Weighted Average Number of Common Shares					
Outstanding – Basic and Diluted		10,800,000	10,800,000	19,650,000	19,650,000
Basic and Diluted Net Income per Share		0.4145	0.6413	0.3606	0.0888

The accompanying notes are an integral part of these consolidated financial statements.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025

	Note	Number of outstanding shares	Share capital RM	Reserves RM	Retained earnings RM	Shareholders' equity RM	Non- controlling interest RM	Total equity RM
Balance at January 1, 2023		10,800,000	2,515,899	3,280,388	961,960	6,758,247	1,133,496	7,891,743
Issuance of shares		-	336,217	-	-	336,217	309,163	645,380
Equity transaction		-	2,019	-	1,330	3,349	(3,349)	-
Disposition of Sagfood (Malaysia) Sdn Bhd		-	(1,708,355)	-	-	(1,708,355)	(1,266,378)	(2,974,733)
Net profit for the year, representing total comprehensive income for the year		-	-	-	4,476,259	4,476,259	180,042	4,656,301
Balance at December 31, 2023		10,800,000	1,145,780	3,280,388	5,439,549	9,865,717	352,974	10,218,691
Net profit for the year, representing total comprehensive income for the year		-	-	-	6,926,414	6,926,414	239,096	7,165,510
Balance at December 31, 2024		10,800,000	1,145,780	3,280,388	12,365,963	16,792,131	592,070	17,384,201
Issuance of ordinary shares upon IPO, net	4	1,750,000	20,039,124	-	-	20,039,124	-	20,039,124
Issuance of ordinary shares	4	7,100,000	57,294,460	-	-	57,294,460	-	57,294,460
Net profit for the year, representing total comprehensive income for the year		-	-	-	7,085,686	7,085,686	208,527	7,294,213
Balance at December 31, 2025		<u>19,650,000</u>	<u>78,479,364</u>	<u>3,280,388</u>	<u>19,451,649</u>	<u>101,211,401</u>	<u>800,597</u>	<u>102,011,998</u>

	Note	Number of outstanding shares	Share capital USD	Reserves USD	Retained earnings USD	Shareholders' equity USD	Non- controlling interest USD	Total equity USD
Balance at December 31, 2024		10,800,000	282,317	808,276	3,046,929	4,137,521	145,884	4,283,405
Balance at December 31, 2025		19,650,000	19,337,037	808,276	4,792,818	24,938,131	197,264	25,135,395

Equity transaction reflect changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary.

The accompanying notes are an integral part of these consolidated financial statements.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2025</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>Convenience Translation USD</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net profit for the year	4,656,301	7,165,510	7,294,213	1,797,268
<i>Adjustments to reconcile net profit to net cash used in operating activities:</i>				
Provisions	401,600	(52,927)	(416,057)	(102,515)
Depreciation	1,639,079	1,687,992	3,575,849	881,076
Amortization	102,379	55,256	214,646	52,888
Imputed interest of lease liability	13,035	10,090	40,750	10,041
Finance costs	164,491	262,176	246,123	60,644
Overdraft charges	59,964	111,620	108,785	26,804
Income tax expenses	1,366,789	2,372,883	2,366,095	582,997
Gain on disposal of subsidiary	(662,701)	-	-	-
Expected credit loss (ECL), net	(90,205)	-	1,229,403	302,921
Gain on disposal of plant & equipment	-	-	(460)	(113)
Share-based payment expense	-	-	2,474,094	609,608
Gain on lease termination	(4,001)	-	(4,790)	(1,180)
Operating cash flows before movements in working capital	<u>7,646,731</u>	<u>11,612,600</u>	<u>17,128,651</u>	<u>4,220,439</u>
Trade receivables	(1,139,340)	(6,418,937)	(2,795,250)	(688,740)
Other receivables and prepayment (cash related)	(6,032,450)	3,208,914	2,358,203	581,053
Other payables and accrued liabilities	225,925	479,896	576,616	142,077
Trade payables	(35,382)	(423,787)	335,070	82,560
Deferred revenue	1,823,535	(2,691,244)	-	-
Cash generated from operations	<u>2,489,019</u>	<u>5,767,442</u>	<u>17,603,290</u>	<u>4,337,389</u>
Income tax paid	(29,843)	(2,700)	(1,043,652)	(257,152)
Net cash provided by operating activities	<u>2,459,176</u>	<u>5,764,742</u>	<u>16,559,638</u>	<u>4,080,237</u>
Investing activities				
Purchase of plant and equipment	(5,524,353)	(4,894,732)	(29,241,319)	(7,204,957)
Loss of cash on disposal of subsidiary	(27,620)	-	-	-
Proceeds from disposal of plant and equipment	-	-	833,172	205,291
Net cash used in investing activities	<u>(5,551,973)</u>	<u>(4,894,732)</u>	<u>(28,408,147)</u>	<u>(6,999,666)</u>
Financing activities				
Issuance of share capital	645,380	-	-	-
Issuance of ordinary shares upon IPO, net	-	-	20,039,124	4,937,568
Repayment of lease liabilities	(104,784)	(57,084)	(293,146)	(72,230)
Increase in fixed deposits	(807,093)	(43,174)	(21,463)	(5,288)
Overdraft charges paid	(59,964)	(111,620)	(108,785)	(26,804)
Repayment of bank loans	(330,610)	(646,754)	(730,182)	(179,914)
Loan interest paid	(164,491)	(262,176)	(246,123)	(60,644)
Proceeds from bank loans	2,699,992	1,000,000	2,500,000	615,991
Placement of fixed deposits	-	-	(500,000)	(123,198)
Repayment from related parties	1,063,118	-	-	-
Repayment from/(repayment to) shareholders	30,852	(886)	-	-
Repayment from/(repayment to) directors	550,351	(137,181)	-	-
Net cash provided by/(used in) financing activities	<u>3,522,751</u>	<u>(258,875)</u>	<u>20,639,425</u>	<u>5,085,481</u>
Net increase in cash and cash equivalents	429,954	611,135	8,790,916	2,166,052
Cash and cash equivalents at beginning of year	12 (670,960)	(241,006)	370,129	91,198
Cash and cash equivalents at end of year	12 <u>(241,006)</u>	<u>370,129</u>	<u>9,161,045</u>	<u>2,257,250</u>

Supplement disclosures of non-cash activities

These transactions did not involve cash flows and are therefore excluded from the statement of cash flows in accordance with IAS 7 Statement of Cash Flows

Issuance of Class A ordinary shares for professional services	-	-	1,740,206	428,781
Issuance of Class A ordinary shares for consultant services (recognized as prepayments)	-	-	12,612,260	3,107,617
Issuance of Class A ordinary shares for licensing (recognized as prepayments)	-	-	8,262,048	2,035,739

Issuance of Class A ordinary shares for server infrastructure (recognized as prepayments)	-	-	28,483,410	7,018,211
Issuance of Class A ordinary shares for project management services (recognized as prepayments)	-	-	6,196,536	1,526,804

The accompanying notes are an integral part of these consolidated financial statements.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 ORGANIZATION AND PRINCIPAL ACTIVITIES

Sagtec Global Limited (the “Company”) was incorporated in the British Virgin Islands on October 31, 2023 with registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands while principal place of business of the Company at Lot 6-2, Level 9, Equatorial Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

The Company’s ultimate controlling party is Ng Chen Lok. The group structure which represents the operating subsidiaries and dormant companies as of the reporting date is as follow:



Details of the Company and its subsidiaries (collectively, the “Group”) are shown in the table below:

Name	Percentage of effective ownership				
	December 31,				Principal activities
	Date of incorporation	2025 %	2024 %	Place of incorporation	
Sagtec Global Limited	October 31, 2023	—	—	British Virgin Islands	Holding company
Sagtec Group Sdn Bhd	June 11, 2018	98.04	98.04	Malaysia	Food & beverage SAAS
CL Technologies (International) Sdn Bhd	February 14, 2019	94.95	94.95	Malaysia	Food & beverage software & server hosting

The Group develops IT products, services, and solutions using the subscription as a service model, generating stable and sustainable revenue from our SaaS offerings.

As described above, the Company, through a series of transactions which is accounted for as a reorganization of entities under a common control (the “Reorganization”), will become the ultimate parent of its subsidiaries.

Through the reorganization, the Company will be the holding company of its subsidiaries. Accordingly, the consolidated financial statements will be prepared on a consolidated basis by applying the principle of common control as if the reorganization has been completed at the beginning of the first reporting period.

Based on the above, the Group concluded that the Company and its subsidiaries are effectively controlled by the shareholder before and after the Reorganization and the Reorganization is considered under common control. The transactions above were accounted for as a recapitalization. The consolidation of the Company and its subsidiaries has been accounted for at carrying value and prepared on the basis as if the aforementioned transactions had become effective as of the beginning of the first period presented in the accompanying consolidated financial statements.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”) for the years ended December 31, 2025 and 2024.

These consolidated financial statements for the years ended December 31, 2025 and 2024 should be read in conjunction with the Group’s last audited annual consolidated financial statements for the years ended December 31, 2024 and 2023. They do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with IFRS Accounting Standard. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since last annual consolidated financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

These consolidated financial statements were approved by the board of directors of the Company on December 31, 2025.

The board of directors has the power to amend the financial statements after issue.

ADOPTION OF NEW AND REVISED STANDARDS

On January 1, 2025 the Group has adopted the new or amended IFRS and interpretations issued by the IFRS interpretations Committee (IFRS IC) that are mandatory for application for the fiscal year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and IFRS IC.

The adoption of these new or amended IFRS and IFRS IC did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICIES (cont.)

COMMON CONTROL & MERGER ACCOUNTING

The acquisition of entities, businesses or assets under common control are accounted for in accordance with merger accounting.

The consolidated financial statements incorporate the financial statements of the consolidated entities or businesses in which the common control consolidation occurs as if they had been consolidated from the date when the consolidation entities or businesses first came under the control of the controlling party.

The consolidated financial statements have prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

The net assets of the consolidated entities or businesses are consolidated using the existing carrying amounts from the controlling party's perspective. No amount is recognized in respect of goodwill or excess of the acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost at the time of common control consolidation. All differences between the cost of acquisition (fair value of consideration paid) and the amounts at which the assets and liabilities are recorded, arising from common control consolidation, have been recognized directly in equity as part of the capital reserve.

The consolidated statements of profit or loss and other comprehensive income include the results of each of the consolidation entities or businesses from the earliest date presented or since the date when the consolidated entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control consolidation.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Loss of control

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any NCI, and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost.

CONVENIENCE TRANSLATION

Translations of amounts in the consolidated statement of financial position, consolidated statements of profit or loss and other comprehensive income, and consolidated statement of cash flows from RM into USD as of and for the year ended December 31, 2025 are solely for the convenience of the reader. Unless otherwise noted, all translations from RM into USD for the fiscal year ended December 31, 2025 were calculated at of USD1 = RM 4.0585.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICIES (cont.)

FINANCIAL ASSETS

Classification and measurement

Financial assets are recognized when a Group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss ("FVTPL")) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized immediately in consolidated statement of profit or loss. The Group classifies its financial assets at fair value through other comprehensive income, fair value through profit and loss and amortized cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

1. Financial assets at Fair Value through Profit or Loss (FVTPL) are initially recorded at fair value and transaction costs are expensed in the statements of income and comprehensive income. Realized and unrealized gains and income arising from changes in the fair value of the financial asset held at FVTPL are included in the statements of income and comprehensive income in the period in which they arise. There are no financial assets classified as FVTPL.
2. Financial assets at Fair Value through Other Comprehensive Income (FVTOCI) are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. There are no financial assets classified as FVTOCI.
3. Financial assets at amortized cost are initially recognized at fair value, net of transaction costs, and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. The Company has classified trade receivables, other receivables and amounts due from related parties at amortized cost.

Impairment

The Group assesses at end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

The Group recognizes expected credit losses ("ECL") for accounts receivable based on the simplified approach. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the accounts receivable.

The Group assesses expected credit losses for other receivables, including amounts due from directors, shareholders and related parties, based on a 12-month expected credit loss model at each reporting date. As at the reporting date, no loss allowance has been recognized as the expected credit losses are not material and there has been no significant increase in credit risk.

The Group measures expected credit loss by considering the risk of default over the contract period and incorporates forward-looking information into its measurement. ECLs are a probability-weighted estimate of credit losses.

ECLs are measured as the difference in the present value of the contractual cash flows that are due to the Company under the contract, and the cash flows that the Company expects to receive. The Company assesses all information available, including past due status, and forward looking macro-economic factors in the measurement of the ECLs associated with its assets carried at amortized cost.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICIES (cont.)

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flow from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

FINANCIAL LIABILITIES

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are classified as measured at amortized cost, net of transaction costs unless classified as FVTPL. The Group trade payables, other payables and accrued liabilities, amounts due to related parties, lease liabilities and bank loans are classified as measured at amortized cost.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligation are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

PLANT AND EQUIPMENT

Plant and equipment is recognized and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, if any. When components of property and equipment have different useful lives they are accounted for separately. Depreciation is provided at rates which are calculated to write off the assets over their estimated useful lives as follows:

Computer and handphone	5 years straight line
Equipment and machine	10 years straight line
License	10 years straight line
Right-of-use assets	Over term of lease
Renovation	Over term of lease

Plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognized in profit or loss.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Impairment of assets are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognized. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognized to the extent of the carrying amount of the asset that would have been determined (net of amortization and depreciation) had no impairment loss been recognized. The reversal is recognized in profit or loss immediately.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICIES (cont.)

LEASES

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

Right-of-use asset

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those plant and equipment.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognized in profit or loss if the carrying amount has been reduced to zero.

PROVISIONS

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as interest expense in profit or loss.

Provision for warranties

The Group provides warranties for general repairs of defects. Provisions related to these assurance-type warranties are recognized when the product is sold. Initial recognition is based on historical experience. The estimate of warranty-related costs is revised annually.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICIES (cont.)

REVENUE RECOGNITION

Revenue is derived principally from services, tangible products, rental and others.

Revenue from services

Revenue from services is recognized over time in the year in which the services rendered.

A receivable is recognized when the services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

1. Subscription services from Speed + Pos software and QR ordering system, which allow our subscribers to gain access to our software. Performance obligation includes to ensure subscribers accessibility, bundled with training, maintenance and support on recurring basis, measured on time elapsed, renewed on monthly basis.
2. Software consultant and development services cater for customers seeks to customized point of sales system. Performance obligation includes the design and build of software-based systems, integration of hardware and software solutions, running and maintaining of IT infrastructure and procurement services. In all cases, the Company assesses if the multiple obligations should be accounted for as separate performance obligations or combined into a single performance obligation. The Company generally separates multiple obligations in a contract as separate performance obligations if those obligations are distinct, both individually and in the context of the contract. If multiple obligations in a contract are highly interrelated or require significant integration or customization within a group, they are combined and accounted for as a single performance obligation, measured on contract milestone. Contract duration range from two weeks to two months.
3. Social media management services, involves content creation, engagement, and advertising management. These services are considered as single performance obligation contracted to be delivered over a period of time, measured on time elapsed, renewed on monthly basis.
4. Data management and analysis services, involves handling and processing data to extract valuable insights that can inform decision-making and improve business operations. These services are considered as single performance obligation, measured on time elapsed contracted to be deliver over a period of time, measured on time elapsed, renewed on monthly basis.

Revenue from tangible products

Revenue from tangible products is recognized at a point in time when the goods have been delivered to the customer and upon its acceptance, and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the goods sold.

Revenue from rental of machinery

Revenue from rental is recognized at a point in time, measured through time lapsed results in entitlement to collection of revenue.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

Bank overdrafts are presented as current borrowings in the statements of financial position.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICIES (cont.)

SHARE CAPITAL

Class A Ordinary Shares Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new Class A Ordinary Shares are deducted against the share capital account.

SHARE BASED PAYMENTS

The Company accounts for equity-settled share-based payment transactions in accordance with IFRS 2 Share-based Payment.

Where equity instruments are granted in exchange for goods or services received from non-employees, the transactions are measured at the fair value of the goods or services received, unless that fair value cannot be reliably measured, in which case the fair value of the equity instruments granted is used.

Where services are received immediately, the corresponding expense is recognized in profit or loss. Where services or assets are to be received in the future, the amounts are recognized as prepayments and expensed or capitalised as the services are rendered or assets are received.

Equity-settled share-based payments are recognized as an increase in equity.

INCOME TAX

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities, measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognized in profit or loss except to the extent that the tax relates to items recognized outside profit or loss (either in other comprehensive income or directly in equity).

Deferred taxes are recognized using the liability method for temporary differences other than those that arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on the period.

Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilized. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Current and deferred tax items are recognized in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICIES (cont.)

EMPLOYEE BENEFITS

Defined contribution plan

The Company participates in Employees Provident Fund (EPF), Malaysia's national defined contribution plan, employees are required to contribute a specified percentage of their monthly salary to the EPF, which is deducted from their salaries each month. The company also contributes a specified percentage based on the employees' monthly salaries, as mandated by the EPF regulations. The Company's contributions are recognized as an expense in the period when employees render related services, and this expense is recorded in the profit or loss statement under employee benefits expense. A liability is recognized for unpaid contributions at the end of each reporting period, representing amounts due to the EPF but not yet paid. Contributions are measured at the statutory rates applicable during the period. In the financial statements, the total amount of contributions made to the EPF during the reporting period is disclosed in the notes under employee benefits.

Actuarial risk (that benefits will be less than expected) and investment risk (that assets invested will be insufficient to meet expected benefits) fall, in substance, on the employee.

DEFERRED OFFERING COSTS

Deferred offering costs are specific expenses incurred during the process of preparing for an offering of securities, including legal, accounting, underwriting, and other fees directly associated with the offering. These costs are initially recorded as an asset when incurred, provided it is probable that the offering will be successfully completed, and are capitalized as "Deferred Offering Costs" on the statement of financial position. Only direct and incremental costs clearly attributable to the offering are capitalized, while general and administrative expenses not directly related to the offering process are expensed as incurred. Upon successful completion of the offering, deferred offering costs are reclassified from the statement of financial position to the statement of comprehensive income and recognized as a reduction of the proceeds from the offering within equity. If it becomes probable that the offering will not be completed, all deferred offering costs are expensed immediately in the period this determination is made.

FOREIGN CURRENCY TRANSACTIONS

The functional currency used by the Company is Malaysia Ringgit. Consequently, operations in currencies other than the Malaysian Ringgit are considered to be denominated in foreign currency and are recorded at the exchange rates in force on the dates of the operations.

At year-end, monetary assets and liabilities denominated in foreign currency are converted by applying the exchange rate on the statement of financial position date. The profits or losses revealed are charged directly to the profit and loss account for the year in which they occur. Non-monetary items in foreign currency measured in terms of historical cost are converted at the exchange rate on the date of the transaction.

The exchange differences of the monetary items that arise both when liquidating them and when converting them at the closing exchange rate, are recognized in the results of the year, except those that are part of the investment of a business abroad, which are recognized directly in equity net of taxes until the time of its disposal.

EARNINGS PER SHARE

Basic income per share is calculated by dividing the income attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding in the period. For all periods presented, the income attributable to ordinary shareholders equals the reported income attributable to owners of the Company.

Diluted income per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of ordinary shares outstanding for the calculation of diluted income per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase ordinary shares at the average market price during the period.

The Company has no potentially dilutive securities, such as options or warrants, currently issued and outstanding, as of December 31, 2025 and 2024.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided for decision maker, whose members are responsible for allocating resources and assessing the performance of the operating segments.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

BORROWING AND BORROWING COSTS

Borrowings are classified as current liabilities unless the Group has the unconditional right to postpone settlement for at least 12 months after the statement of financial position date, in which case they are classified as non-current liabilities.

Borrowings are initially recorded at fair value, net of any transaction costs. They are then measured at amortized cost. The difference between the initial proceeds (after deducting transaction costs) and the repayment amount is recognized in profit or loss over the term of the borrowings using the effective interest rate method.

Borrowing costs are recognized in profit or loss using the effective interest method except for borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset.

The preparation of these consolidated financial statements in conformity with IFRS require the directors of the Company to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors have considered the development, selection and disclosure of the Group's critical accounting judgements and estimates. The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:-

Useful lives of plant and equipment

The Group's management determines the estimated useful lives and the related depreciation charge for the Group's plant and equipment. This estimate is based on the historical experience of the actual useful lives of plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore depreciation charge in the future periods.

Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The information about the expected credit loss on the Group's trade receivables is disclosed in Note 9.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4 ISSUANCES OF SHARES

	Ordinary Shares					
	Ordinary Shares		Class A Ordinary Shares		Class B Ordinary Shares	
	Shares	Amount (RM)	Shares	Amount (RM)	Shares	Amount (RM)
Balance as at December 31, 2024	10,800,000	1,145,780	-	-	-	-
Issuance of ordinary shares upon IPO, net	-	-	1,750,000	20,039,124	-	-
Issuance of ordinary shares	-	-	7,100,000	57,294,460	-	-
Re-designation of ordinary shares into Class A and Class B	(10,800,000)	(1,145,780)	8,800,000	933,242	2,000,000	212,538
Balance as at December 31, 2025	-	-	17,650,000	78,266,826	2,000,000	212,538

During the year ended December 31, 2025, the Company successfully completed its initial public offering (IPO), issuing 1,750,000 new ordinary shares at an issue price of RM 18 per share, resulting in gross proceeds of RM 30,898,700 on 6 March 2025.

The shares issued are ordinary shares with no par value and carry the same rights and obligations as the existing shares, including equal rights to dividends, voting, and distribution of assets upon liquidation.

In connection with the IPO, the Company incurred deferred offering costs amounting to RM 10,859,576. These costs, being directly attributable to the equity issuance, were deducted from equity in accordance with IAS 32 Financial Instruments: Presentation. As a result, the net proceeds recognized in equity amounted to RM 20,039,124.

On 12 September 2025, the Company issued restricted 200,000 ordinary shares to Dennis O'Neill as consideration for professional services rendered in relation to investor and public relations planning. The transaction is accounted for as an equity-settled share-based payment in accordance with IFRS 2 Share-based Payment. As the services had been fully rendered at the grant date and no further service obligations exist, the fair value of the equity instruments granted amounting to RM 1,740,206 was recognized immediately in profit or loss, with a corresponding increase in equity. The shares were issued for nil cash consideration as part of a non-cash transaction.

On 30 September 2025, the Company re-designated its ordinary shares into two classes, comprising 8,800,000 Class A ordinary shares and 2,000,000 Class B ordinary shares, both with no par value, pursuant to the approval of the Board of Directors on the same date.

The re-designation was undertaken to establish a dual-class share structure that supports the Company's long-term strategic objectives. This structure enables the Company to maintain stability in key decision-making processes by granting enhanced voting rights to Class B ordinary shares, typically held by founders, key executives or strategic shareholders whose continued involvement is critical to the Company's direction. At the same time, it allows the Company to provide Class A ordinary shares to existing and future investors without diluting control over fundamental corporate matters.

This approach is common among growth-stage and technology-oriented companies seeking to balance capital-raising flexibility with preservation of strategic leadership oversight.

On 24 September 2025, the Company entered into a consulting agreement with Tan Yee How for the provision of AI software development services relating to robotic arm machines. In consideration for the services to be rendered, the Company issued 1,400,000 restricted ordinary shares as non-cash consideration. The transaction is accounted for as an equity-settled share-based payment in accordance with IFRS 2 Share-based Payment. As at 31 December 2025, no services had been rendered. Accordingly, the fair value of the equity instruments granted, amounting to RM 12,612,260, was recognized as a prepayment, with a corresponding increase in equity. During the year, RM 630,612 was amortized and recognized in profit or loss. The remaining balance of RM 11,981,648 is presented as prepayments, of which RM 2,522,452 is classified as current assets and RM 9,459,196 as non-current assets.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4 ISSUANCES OF SHARES (cont.)

The services are to be provided over a 5-year period. As the services are expected to be received on a continuous basis and no specific milestones determine the pattern of delivery, the prepayment will be recognized in profit or loss on a straight-line basis over the service period as the services are rendered. The shares are subject to a 1-year lock-up restriction. The arrangement does not include milestone-based delivery or clawback provisions. This transaction represents a non-cash transaction and, as no cash consideration was exchanged, it has been excluded from the statement of cash flows.

On 7 November 2025, the Company entered into an arrangement with Kinetic Seas Incorporated for the provision of licensing rights, server infrastructure and project management services. In consideration, the Company issued 5,500,000 restricted ordinary shares as non-cash consideration. The transaction is accounted for as an equity-settled share-based payment in accordance with IFRS 2 Share-based Payment.

The Company has determined the grant date to be 26 November 2025, being the date on which the arrangement was formally approved. Accordingly, the fair value of the equity instruments granted was measured at that date. The fair value of the shares issued amounted to RM 42,941,993.60 after applying a discount for lack of marketability. As at 31 December 2025, no services had been rendered and no assets had been delivered. Accordingly, the amount is recognized as prepayments, with a corresponding increase in equity, as follows:

- Licensing: RM 8,262,047 was recognized as non-current prepayments
- Server infrastructure: RM 28,483,410 was recognized as non-current prepayments
- Project management services: RM 6,196,535 of which RM 103,275 was amortized during the year and recognized in profit or loss; the remaining balance is recognized as prepayments, comprising RM 1,239,306 classified as current assets and RM 4,853,954 as non-current assets

The licensing and server infrastructure components will be recognized as intangible assets and property, plant and equipment respectively upon delivery, and subsequently amortized or depreciated over their estimated useful lives. Management has assessed that a useful life of 10 years is appropriate, reflecting the expected period over which economic benefits will be consumed. The project management services are to be provided over a 5-year period and are recognized in profit or loss on a straight-line basis as the services are rendered, reflecting the continuous nature of service delivery.

The shares are subject to transfer restrictions, including those under Rule 144, which limit the ability to dispose of the shares. The arrangement does not include milestone-based delivery or clawback provisions. This transaction represents a non-cash transaction and, as no cash consideration was exchanged, it has been excluded from the statement of cash flows.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4 ISSUANCES OF SHARES (cont.)

Differences Between Class A and Class B Ordinary Shares

The rights attached to Class A and Class B ordinary shares are set out in the Company's Memorandum and Articles of Association (MAA).

The principal difference between the two classes is voting rights, as summarized below:

- Voting Rights
 - o Class A ordinary shares: Each Class A Share confers one vote at any meeting of shareholders or on any shareholders' resolution.
 - o Class B ordinary shares: Each Class B Share confers twenty votes at any meeting of shareholders or on any shareholders' resolution.
- Dividend Rights
 - o Both Class A and Class B Shares carry an equal entitlement to any distribution declared by the Company in accordance with the Act and the MAA.
- Rights on Liquidation
 - o Class A and Class B Shares rank pari passu, each conferring an equal share in the distribution of any surplus assets of the Company upon liquidation.
- Conversion Rights
 - o In accordance with clause 6.4 of the MAA, each Class B Share may be voluntarily converted into a Class A Share at the option of the holder, subject to the terms set out in the MAA.

5 ACQUISITION OF CL TECHNOLOGIES (INTERNATIONAL) SDN. BHD.

On January 1, 2024, the Company completed the acquisition of CL Technologies (International) Sdn. Bhd. (CL Tech), a company located in Malaysia that provides food and beverage software and server hosting services. The acquisition was made pursuant to a share purchase agreement dated January 1, 2024, between the Company, and Kevin Ng Chen Lok and other individual non-controlling shareholders, collectively the 94.95% shareholders of CL Tech. The acquisition purchase price totaled RM 457 (USD113) in initial cash consideration.

As part of the restructuring of the Company, the acquisition of entities, business or assets under common control are accounted for in accordance with merger accounting. The difference between the consideration paid and the share capital of the acquired entity is reflected within equity as a merger reserve. The Company accounted the transaction as followings:

	RM	Convenience Translation USD
Cash consideration	457	113
Book value of 94.95% of Share Capital of CL Technologies (International) Sdn. Bhd.	(2,263,600)	(557,743)
Bargain purchase accounted as merger reserve in equity	2,263,143	557,630

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6 ACQUISITIONS OF SAGTEC GROUP SDN. BHD.

On January 1, 2024, the Company completed the acquisition of Sagtec Group Sdn. Bhd. (Sagtec Group), a company located in Malaysia that provides Food and beverage SAAS services. The acquisition was made pursuant to a share purchase agreement dated January 1, 2024, between the Company, and Kevin Ng Chen Lok and other individual non-controlling shareholders, collectively the 98.04% shareholders of Sagtec Group. The acquisition purchase price totaled RM 457 (USD113) in initial cash consideration.

As part of the restructuring of the Company, the acquisition of entities, business or assets under common control are accounted for in accordance with merger accounting. The difference between the consideration paid and the share capital of the acquired entity is reflected within equity as a merger reserve. The Company accounted the transaction as followings:

	RM	Convenience Translation USD
Cash consideration	457	113
Book value of 98.04% of Share Capital of Sagtec Group Sdn. Bhd.	(1,017,702)	(250,759)
Bargain purchase accounted as merger reserve in equity	1,017,245	250,646

7 PLANT AND EQUIPMENT

	As of January 1, 2024	Addition	As of December 31, 2024	Addition	Disposal	As of December 31, 2025	As of December 31, 2025 Convenience Translation USD
	RM	RM	RM	RM	RM	RM	
<u>Plant and equipment, at cost</u>							
Equipment & Machine	12,468,561	4,894,732	17,363,293	22,096,293	(1,558,323)	37,901,263	9,338,737
Computer & Handphone	114,419	-	114,419	-	-	114,419	28,193
License	775,901	-	775,901	7,031,639	-	7,807,540	1,923,750
Renovation	43,892	-	43,892	113,387	-	157,279	38,753
Total cost	13,402,773	4,894,732	18,297,505	29,241,319	(1,558,323)	45,980,501	11,329,433

	As of January 1, 2024	Depreciation for the year	As of December 31, 2024	Depreciation for the year	Disposal for the year	As of December 31, 2025	As of December 31, 2025 Convenience Translation USD
	RM	RM	RM	RM	RM	RM	
<u>Accumulated Depreciation</u>							
Equipment & Machine	2,230,743	1,576,753	3,807,496	2,869,717	(725,611)	5,951,602	1,466,454
Computer & Handphone	56,323	22,676	78,999	19,497	-	98,496	24,269
License	64,836	77,590	142,426	663,560	-	805,986	198,592
Renovation	3,793	10,973	14,766	23,075	-	37,841	9,324
Total accumulated depreciation	2,355,695	1,687,992	4,043,687	3,575,849	(725,611)	6,893,925	1,698,639

	As of December 31, 2024	As of December 31, 2025	As of December 31, 2025 Convenience Translation USD
	RM	RM	
<u>Carrying Amount</u>			
Equipment & Machine	13,555,797	31,949,661	7,872,283
Computer & Handphone	35,420	15,923	3,924
License	633,475	7,001,554	1,725,158
Renovation	29,126	119,438	29,429
Total carrying amount	14,253,818	39,086,576	9,630,794

8 RIGHT OF USE ASSETS

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SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9 TRADE RECEIVABLES AND TRADE PAYABLES

	As of		
	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	Convenience Translation USD
Trade receivables, gross			
<i>Third parties</i>	8,409,351	11,204,601	2,760,774
Less: Provision for expected credit losses	-	(1,229,403)	(302,921)
Trade receivables, net	8,409,351	9,975,198	2,457,853

Provision for expected credit losses movement schedule

	As of		
	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	Convenience Translation USD
As at beginning of the year	-	-	-
Add: Charge for the year	-	1,229,403	302,921
Less: Written off during the year	-	-	-
As at end of the year	-	1,229,403	302,921

Trade receivables are non-interest bearing and generally on 30 to 90 days credit terms. The Group applies the simplified approach under IFRS 9 to measure expected credit losses, using a lifetime expected loss allowance for all trade receivables.

	As of		
	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	Convenience Translation USD
Trade payables, gross			
<i>Third parties</i>	-	335,070	82,559
Trade payables, net	-	335,070	82,559

Trade payables are non-interest bearing, generally on 30 to 90 days credit term. They are recognized at their original invoice amounts which represent their fair values on initial recognition.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10 OTHER RECEIVABLES AND OTHER PAYABLES

	As of		
	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	Convenience Translation USD
<u>Deposits & other receivables</u>			
Rental deposit	6,312	101,680	25,054
Utility deposit	5,700	15,060	3,711
Other deposits	1,820	25,990	6,404
Other receivables	2,089,986	-	-
Deferred offering costs	763,342	366,228	90,237
	<u>2,867,160</u>	<u>508,958</u>	<u>125,406</u>

For the year ended December 31, 2024, other receivables comprise of advance payments made to the supplier for software development services and source code as well as IPO consultation services. Both services were fully rendered and recognized in the profit or loss by 31 March 2025.

	As of		
	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	Convenience Translation USD
<u>Accrued liabilities & other payables</u>			
Employee benefits payable	405,792	592,860	146,079
Lease payable	8,757	1,514	374
Accrued operating expenses	749,764	1,038,668	255,924
Utilities payable	8,424	116,311	28,658
	<u>1,172,737</u>	<u>1,749,353</u>	<u>431,035</u>

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11 PREPAYMENTS

	As of		
	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	Convenience Translation USD
<u>Non-current prepayments</u>			
Consultant services	-	9,459,196	2,330,712
Licensing	-	8,262,047	2,035,740
Server infrastructure	-	28,483,410	7,018,211
Project management services	-	4,853,954	1,195,997
	-	51,058,607	12,580,660
	As of		
	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	Convenience Translation USD
<u>Current prepayments</u>			
Consultant services	-	2,522,452	621,523
Project management services	-	1,239,306	305,361
	-	3,761,758	926,884

For the year ended December 31, 2025, the above prepayments arise from equity-settled share-based payment arrangements, whereby the Company issued ordinary shares as consideration for future services and assets in accordance with IFRS 2 Share-based Payment. The prepayments are classified as current or non-current based on the expected timing of receipt of the underlying services and delivery of assets.

Of the total prepayments recognized, RM 11,981,648 relates to the issuance of 1,400,000 ordinary shares to Tan Yee How, while RM 42,838,718 relates to the issuance of 5,500,000 ordinary shares to Kinetic Seas Incorporated, as disclosed in Note 4 – Issuance of Shares.

The current portion primarily relates to consultant services and project management services expected to be rendered within twelve months from the reporting date, amounting to RM 2,522,452 (Tan Yee How) and RM 1,239,306 (Kinetic Seas Incorporated).

The non-current portion comprises (i) licensing rights and server infrastructure of RM 36,745,457, which have not yet been delivered as at the reporting date and will be reclassified to intangible assets and property, plant and equipment, respectively, upon delivery, and (ii) the remaining portion of consultant services and project management services to be rendered after twelve months.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

12 CASH AND SHORT-TERM DEPOSITS

	As of		
	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	Convenience Translation USD
Cash	474,716	9,161,045	2,257,250
Pledged Deposits	1,179,430	1,700,892	419,094
Total	1,654,146	10,861,937	2,676,344

Pledged deposits are fixed deposit pledged to banks with maturity less than one year to secure overdraft facilities.

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year.

	As of		
	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	Convenience Translation USD
Cash and short-term deposits	1,654,146	10,861,937	2,676,344
Pledged Deposits	(1,179,430)	(1,700,892)	(419,094)
Bank Overdraft	(104,587)	-	-
Total	370,129	9,161,045	2,257,250

13 RELATED PARTIES DISCLOSURES

a. Related party transactions

	For the year ended December 31,		
	2024	2025	2025
	RM	RM	Convenience Translation USD
Payments made on behalf by director	23,944	28,363	6,988
Employee benefit expenses charged from related parties	12,000	-	-
Selling and administrative expenses charged from related parties	8,495	-	-

Related parties comprise mainly shareholders or companies controlled by director or shareholders.

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13 RELATED PARTIES DISCLOSURES (cont.)

b. Remuneration of key management personnel

	For the year ended December 31,		
	2024	2025	2025
	RM	RM	Convenience Translation USD
Ng Chen Lok, Chairman, CEO & Director			
- Director fee	678,306	820,684	202,215
Robert Michael Harrison Jr, Independent Director			
- Director fee	-	63,452	15,634
Lai Fuu Sing, Independent Director			
- Director fee	-	13,125	3,234
Pan Seng Wee, Independent Director			
- Director fee	-	13,125	3,234
Chen Xiang Foong, Independent Director			
- Director fee	-	50,327	12,400
Elain Binti Lockman, Independent Director			
- Director fee	-	50,327	12,400
Zuria Hajar Bt Mohd Adnan, CFO & Director			
- Salary	92,043	113,000	27,843
- Employer Contribution to Defined Contribution Plan	10,560	16,644	4,101
- Employer Contribution to Insurance Scheme	1,217	1,381	340
Loong Xin Yee, COO	120,000	120,000	29,568
Tan Kim Chuan, CTO			
- Salary	144,330	194,900	48,023
- Employer Contribution to Defined Contribution Plan	2,600	8,736	2,153
- Employer Contribution to Insurance Scheme	386	1,198	295

14 PROVISIONS

	As of		
	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	Convenience Translation USD
As at beginning of the year	494,280	441,353	108,748
Add: Provision for warranty during the year	202,929	-	-
Add: Provision for reinstatement cost during the year	-	25,296	6,233
Less: Unclaimed warranty during the year	(255,856)	(441,353)	(108,748)
As at end of the year	441,353	25,296	6,233

The Group provides a one-year warranty on all food kiosk ordering machines and power bank charging stations sold, covering defects in materials and workmanship. The warranty provision is assessed at each reporting date based on historical claims experience, product defect trends, customer complaints and service reports, supplier warranty coverage arrangements, and post-year-end events up to the date of approval of the financial statements.

For the financial year ended 31 December 2025, no warranty provision has been recognized as management assessed that no present obligation exists and the expected warranty claims are not probable or can be recovered from suppliers. Accordingly, the estimated outflow of economic resources is not material.

During the financial year ended 31 December 2025, the Group entered into a new lease arrangement which includes reinstatement obligations. Accordingly, a provision for reinstatement costs has been recognized, with a corresponding adjustment to the right-of-use asset.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

15 BANK BORROWINGS AND BANK OVERDRAFT

	As of		
	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	Convenience Translation USD
Current			
Bank overdraft	104,587	-	-
Bank borrowings	736,481	1,173,088	289,045
	841,068	1,173,088	289,045
Non-current			
Bank borrowings	2,526,234	3,859,445	950,954
	3,367,302	5,032,533	1,239,999

Bank overdraft

The bank overdraft is secured by the Group's fixed deposits. The weightage average effective interest rate is NIL (2024: 8.83%) per annum.

Bank borrowing

Maturities of Bank Borrowing

Year ending December 31, 2025	736,481	-	-
Year ending December 31, 2026	782,996	1,173,088	289,045
Year ending December 31, 2027	795,079	1,252,768	308,677
Year ending December 31, 2028	495,036	996,901	245,633
Year ending December 31, 2029	184,632	716,991	176,664
Year ending December 31, 2030	268,491	768,277	189,301
After December 31, 2031	-	124,508	30,679
	3,262,715	5,032,533	1,239,999

	As of		
	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	Convenience Translation USD
Fair value of non-current borrowing	2,123,289	3,323,249	818,837
Undrawn borrowing facility	2,145,413	2,250,000	554,392
Weighted average interest rate	5.35%	4.60%	4.60%

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

15 BANK BORROWINGS AND BANK OVERDRAFT (cont.)

All borrowings by the company are personally guaranteed by the director. In the event the company is unable to meet its loan obligations, the director will be held accountable and responsible for repaying the loans.

Reconciliation of liabilities arising from financing activities

	As of		
	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	Convenience Translation USD
Bank borrowing			
As at beginning of the year	2,909,469	3,262,715	803,922
Proceeds from borrowing	1,000,000	2,500,000	615,991
Scheduled repayment	(908,930)	(976,305)	(240,558)
Non-cash changes			
<i>Finance cost</i>	262,176	246,123	60,644
As at end of the year	<u>3,262,715</u>	<u>5,032,533</u>	<u>1,239,999</u>
Lease liability			
As at beginning of the year	209,571	162,577	40,058
Scheduled repayment	(57,084)	(161,328)	(39,751)
Non-cash changes			
<i>Addition during the year</i>	-	1,355,647	334,026
<i>Modification</i>	-	(69)	(17)
<i>Imputed interest</i>	10,090	40,750	10,041
<i>Termination</i>	-	(37,339)	(9,199)
As at end of the year	<u>162,577</u>	<u>1,360,238</u>	<u>335,158</u>
Amount due to shareholders			
As at beginning of the year	(886)	-	-
Repayment	886	-	-
As at end of the year	<u>-</u>	<u>-</u>	<u>-</u>
Amount due to director			
As at beginning of the year	(137,181)	-	-
Repayment	137,181	-	-
As at end of the year	<u>-</u>	<u>-</u>	<u>-</u>

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
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16 INCOME TAX

	As of			
	December 31, 2023	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	RM	Convenience Translation USD
<u>Tax payable</u>				
As at beginning of the year	553,111	1,632,210	3,918,926	965,610
Tax expenses	1,108,790	2,289,416	2,268,365	558,917
Tax payment	(29,843)	(2,700)	(1,043,652)	(257,152)
Deconsolidation of Sagfood (Malaysia) Sdn Bhd	152	-	-	-
As at end of the year	<u>1,632,210</u>	<u>3,918,926</u>	<u>5,143,639</u>	<u>1,267,375</u>
<u>Deferred tax liabilities</u>				
<i>Accelerated tax depreciation</i>				
As at beginning of the year	767,259	823,938	907,405	223,582
Tax expenses	257,999	83,467	97,730	24,080
Deconsolidation of Sagfood (Malaysia) Sdn Bhd	(201,320)	-	-	-
As at end of the year	<u>823,938</u>	<u>907,405</u>	<u>1,005,135</u>	<u>247,662</u>
<u>Income tax expenses</u>				
- Current year	1,108,790	2,289,416	2,268,365	558,917
- Origination of temporary differences	257,999	83,467	97,730	24,080
Total income tax expenses	<u>1,366,789</u>	<u>2,372,883</u>	<u>2,366,095</u>	<u>582,997</u>

A reconciliation between tax expense and the product of accounting profit multiplied by applicable corporate tax rate for the financial years ended December 31, 2023, 2024 and 2025 were as follows:

	As of			
	December 31, 2023	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	RM	Convenience Translation USD
<u>Tax reconciliation</u>				
Profit before tax	6,023,090	9,538,393	9,660,308	2,380,265
Tax calculated at tax rate of 24%	1,445,542	2,289,214	2,318,473	571,264
Effects of:				
- Lower domestic tax rate applicable to respective profits**	(45,000)	(38,371)	(46,260)	(11,398)
- Different tax rates in jurisdiction*	2,618	204,530	63,713	15,698
- Non-allowable expenditure	112,446	58,838	625,162	154,037
- Income not subject to tax	(13,877)	(61,405)	(105,925)	(26,099)
- Utilization of capital allowance	(134,940)	(79,923)	(489,068)	(120,505)
Tax expenses	<u>1,366,789</u>	<u>2,372,883</u>	<u>2,366,095</u>	<u>582,997</u>

* The Company's is formed in British Virgin Islands and is not subject to tax on its income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no British Virgin Islands withholding tax is imposed.

** The Company's subsidiaries formed in Malaysia and is subject to the corporate tax on taxable income derived from its activities conducted in Malaysia. Malaysia companies with a paid-up capital of not more than RM 2.5 million and a gross business income of not more than RM 50 million are taxed at different rates based on their taxable profit. The first RM 150,000 is taxed at 15%, the next RM 450,000 (up to RM 600,000) at 17%, and any amount exceeding RM 600,000 is taxed at 24%. Companies that do not fall into this category are taxed at a standard rate of 24%.

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

17 RESERVES

	As of		
	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	Convenience Translation USD
Bargain purchase accounted as merger reserve in equity from acquisition of CL Technologies (International) Sdn Bhd	2,263,143	2,263,143	557,630
Bargain purchase accounted as merger reserve in equity from acquisition of Sagtec Group Sdn Bhd	1,017,245	1,017,245	250,646
	<u>3,280,388</u>	<u>3,280,388</u>	<u>808,276</u>

18 REVENUE

	For the year ended December 31,			
	2023	2024	2025	2025
	RM	RM	RM	Convenience Translation USD
Revenue from services	11,586,954	30,656,389	49,568,699	12,213,551
Revenue from tangible products	11,522,334	21,342,990	26,915,775	6,631,952
Revenue from rental of machinery	654	-	1,026,000	252,803
Revenue from others	1,182,239	-	-	-
Revenue from non-related parties	24,292,181	51,999,379	77,510,474	19,098,306
Revenue from related parties - services	2,241,230	-	-	-
Revenue from related parties - tangible products	2,747,238	-	-	-
Revenue from related parties	4,988,468	-	-	-
Total revenue	29,280,649	51,999,379	77,510,474	19,098,306
Revenue from services				
<i>Performance obligation satisfied over time</i>				
Subscription services	3,605,525	12,030,103	23,393,531	5,764,082
Software consultation and development services	2,865,215	5,678,947	8,593,264	2,117,350
Social media management services	2,782,963	4,817,229	6,344,672	1,563,305
Data management & analysis services	4,574,481	8,130,110	11,237,232	2,768,814
	<u>13,828,184</u>	<u>30,656,389</u>	<u>49,568,699</u>	<u>12,213,551</u>
Revenue from tangible products				
<i>Performance obligation satisfied at point in time</i>				
Food ordering kiosk with screen	7,405,006	9,999,245	16,483,810	4,061,553
Power bank charging station	6,864,566	11,343,745	10,431,965	2,570,399
	<u>14,269,572</u>	<u>21,342,990</u>	<u>26,915,775</u>	<u>6,631,952</u>
Revenue from rental of machinery				
<i>Performance obligation satisfied at point in time</i>				
Rental of power bank machine	654	-	-	-
Coffee Machine Kiosk Rental	-	-	1,026,000	252,803
	<u>654</u>	<u>-</u>	<u>1,026,000</u>	<u>252,803</u>
Revenue from others				
<i>Performance obligation satisfied at point in time</i>				
Food catering, restaurant and sales of foods	1,182,239	-	-	-
Total revenue	29,280,649	51,999,379	77,510,474	19,098,306

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
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18 REVENUE (cont.)

Transaction price allocated to remaining performance obligation

Management expects that the transaction price allocated to remaining unsatisfied (or partially unsatisfied) performance obligation as at December 31, 2024 and 2025 may be recognized as revenue in the next reporting periods as follows:

	<u>2024</u>	<u>2025</u>	<u>2025</u>
	<u>RM</u>	<u>RM</u>	<u>Convenience Translation USD</u>
Unsatisfied and partially unsatisfied performance obligation as at December 31, 2024	2,691,244	—	—

Unsatisfied performance obligation solely consists of deferred revenue, money received for goods or services not yet delivered or performed.

19 COST OF SALES

	For the year ended December 31,			
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2025</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>Convenience Translation USD</u>
Purchases	11,505,970	12,321,935	17,555,560	4,325,629
Commissions	590,587	1,704,750	-	-
Marketing	1,679,862	2,116,150	3,490,773	860,114
Depreciation of plant and equipment	1,292,349	1,624,383	3,496,317	861,480
Software development	574,501	412,000	2,296,705	565,900
Server maintenance	1,463,433	19,053,935	30,340,342	7,475,753
Employee benefit expenses	4,006,075	2,608,275	2,705,764	666,690
Total	21,112,777	39,841,428	59,885,461	14,755,566

Cost of sales from services consists of purchases and maintenance of power server, purchases of API software, dealer commissions, marketing and advertisement expenses spent on behalf of customers, server maintenance, source code, software development and depreciation.

Cost of sales from tangible products consist of purchases of thermal paper roll, food ordering kiosk and power bank charging machine.

Cost of sales from rental consists of depreciation.

Cost of sales from others consists of purchase of kitchen supplies, material and packaging cost and venue cost, depreciation and packaging machine.

Total depreciation under cost of sale amount RM 1,624,383 and RM 3,496,317 for year ended December 31, 2024 and 2025, respectively.

20 EXPENSES BY NATURE

	For the year ended December 31,			
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2025</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>Convenience Translation USD</u>
Employee benefit expenses				
- Director emoluments	536,770	678,306	1,011,040	249,117
- Staff costs	4,086,584	2,704,655	2,351,151	579,315
- Employer Contribution to Defined Contribution Plan	465,845	277,719	212,975	52,476
- Employer Contribution to Insurance Scheme	24,522	16,434	15,118	3,726
Depreciation of plant and equipment	1,639,079	1,687,992	3,575,849	881,076
Amortization of ROU	102,379	55,256	214,646	52,888
Provision on expected credit loss	90,205	-	1,229,403	302,921
Provision for warranty	459,420	202,929	-	-
Provision on reinstatement cost	-	-	25,296	6,233

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21 FAIR VALUE OF ASSETS & LIABILITIES

Asset and liabilities not measured at fair value.

Cash and bank balance, other receivables and payables carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables carrying amounts (including trade balances due from/to related parties) approximate their fair values as they are subject to normal trade credit terms.

Bank borrowings carrying amounts approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

Non-financial assets, including prepayments arising from share-based payment arrangements, are not within the scope of fair value disclosure under financial instruments standards and are therefore excluded from this disclosure.

22 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company activities expose it to various risks, including market risk (comprising currency risk and interest rate risk), credit risk, and liquidity risk. The Company overall risk management strategy aims to minimize any adverse effects from the unpredictability of financial markets on its financial performance.

	As of		
	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	Convenience Translation USD
<u>Financial assets at amortized cost</u>			
Cash	474,716	9,161,045	2,257,250
Trade receivables, net	8,409,351	9,975,198	2,457,853
Other receivables	2,103,818	142,730	35,169
Fixed deposits	1,179,430	1,700,892	419,094
<u>Financial liabilities at amortized cost</u>			
Trade payables	-	335,070	82,559
Other payables & accrued liabilities	422,973	1,463,610	360,628
Bank and other borrowings	3,367,302	5,032,533	1,239,999
Lease liabilities	162,577	1,360,238	335,158

Foreign Currency Risk

The Group expose to foreign currency risk due to transactions and balances denominated in currencies other than the functional currency of the respective entities of the Group, with the primary risk arising from the Chinese Renminbi ("RMB"). The Group closely monitor foreign currency risk on an ongoing basis to ensure that our net exposure remains at an acceptable level.

The company is subject to minimal foreign currency risk due to its foreign supplier policy of making prepayments in advance of delivery, thus eliminating the need for credit terms.

Interest Rate Risk

The Group exposed to interest rate risk arise mainly from interest-bearing bank loans. The interest rates and repayment terms of these loans are disclosed in Note 14 of the financial statements. Currently, The Group does not have an interest rate hedging policy. The sensitivity analysis below is based on our exposure to interest rates for non-derivative instruments at the end of the reporting period.

We use a 50-basis point increase or decrease to report interest rate risk internally to key management personnel, as this represents management's assessment of a reasonably possible change in interest rates. If interest rates on loans had been 50 basis points higher or lower, with all other variables held constant, our profit would decrease or increase by approximately RM 15,098 for the year ended December 31, 2025 and RM 16,707 for the year ended December 31, 2024.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

22 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont.)

Liquidity Risk

Liquidity risk arises mainly due to general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities. The table below analyses non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, which includes both principal and interest. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	As of		
	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	Convenience Translation USD
<u>Bank borrowings</u>			
Repayment within:			
Less than 1 year	976,072	1,515,098	373,315
Between 1 and 2 years	963,436	1,515,681	373,459
Between 2 and 5 years	1,693,768	2,805,652	691,303
Over 5 years	288,536	126,513	31,172
<u>Bank overdraft</u>			
Repayment within less than 1 year	104,587	-	-
<u>Lease liabilities</u>			
Repayment within:			
Less than 1 year	60,204	382,416	94,226
Between 1 and 2 years	61,884	364,216	89,742
Between 2 and 5 years	45,732	672,552	165,714
Over 5 years	11,342	92,312	22,745
<u>Trade payable</u>			
Repayment within less than 1 year	-	335,070	82,559
<u>Other payable</u>			
Repayment within less than 1 year	422,973	1,749,353	431,035

Credit Risk

Credit risk primarily arises from the possibility of customers failing to fulfill their payment obligations for the services provided. The Group addresses this risk by conducting thorough customer screening and segmentation based on creditworthiness, setting appropriate credit limits, and enforcing stringent payment terms such as upfront payments and short billing cycles.

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22 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont.)

Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due to the Company under the contract, and the cash flows that the Company expects to receive. The Company assesses all information available, including past due status, and forward looking macro- economic factors in the measurement of the expected credit losses associated with its assets carried at amortized cost.

	As of		
	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	Convenience Translation USD
Trade receivable			
Collection within less than 1 year	8,409,351	11,204,601	2,760,774
Other receivables			
Collection within less than 1 year	2,103,818	142,730	35,169
	As of		
	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	Convenience Translation USD
Lifetime expected credit loss	-	-	-
As at January 1	-	-	-
Increase in expected credit loss	-	1,229,403	302,921
As at December 31	-	1,229,403	302,921

For the year ended December 31, 2024, the company made a deliberate decision to abstain from setting aside any provision for doubtful debt, given the fact that by February 28, 2025, the company had successfully received complete settlement of all outstanding amounts owed by trade receivables.

For the year ended December 31, 2025, the company recognises impairment losses based on the expected credit loss (ECL) model in accordance with IFRS 9 Financial Instruments. The ECL is measured using a lifetime expected credit loss approach for trade receivables, which reflects historical credit loss experience, current conditions, and forward-looking information.

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22 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont.)

Capital Risk Management

The Group manages its capital to ensure that entities within our Company will be able to maintain an optimal capital structure so as to support our businesses and maximize shareholders value. To achieve this objective, we may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manage its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as lease liability, borrowings and bank overdraft plus trade and other payables less cash and bank balances. Total capital is calculated as total equity plus net debts. Capital includes equity attributable to the owners of the parent and non-controlling interest.

	As of		
	December 31, 2024	December 31, 2025	December 31, 2025
	RM	RM	Convenience Translation USD
Net debt/(Net cash)	2,298,706	(2,670,486)	(657,998)
Total equity	17,384,201	102,011,998	25,135,395
Total capital	19,682,907	99,341,512	24,477,397
Gearing ratio	11.68%	(2.69)%	(2.69)%

23 CONCENTRATIONS OF RISK

Customer Concentration

For the year ended December 31, 2024, the Company generated total revenue of RM 51,999,379, of which three customers accounted for more than 61% of the Company's total revenue.

For the period ended December 31, 2025, the Company generated total revenue of RM 77,510,474, of which three customers accounted for more than 57% of the Company's total revenue.

	For the year ended December 31,					
	2025	2024	2025	2024	2025	2024
	Revenues		Percentage of revenues		Trade receivables	
	RM	RM	%	%	RM	RM
SM Prominent Sdn Bhd	20,123,827	12,614,057	25.96	24.26	4,619,325	840,220
KLC Ventures Sdn Bhd	14,901,768	6,701,850	19.23	12.89	2,642,090	504,341
Rams Solutions Sdn Bhd	9,426,101	12,585,409	12.16	24.20	-	2,500,000
Total	44,451,696	31,901,316	57.35	61.35	7,261,415	3,844,561

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23 CONCENTRATIONS OF RISK (cont.)

Vendor Concentration

For the year ended December 31, 2024, the Company incurred cost of sale of RM 39,841,428, of which two vendor accounted for more than 60% of the Company's total cost of sale.

For the period ended December 31, 2025, the Company incurred cost of sale of RM 59,885,461, of which two vendors accounted for more than 61% of the Company's total cost of sale.

	For the year ended December 31,					
	2025	2024	2025	2024	2025	2024
	Cost of sale		Percentage of cost of sales		Accounts payable, trade	
	RM	RM	%	%	RM	RM
Vendor A	14,114,441	10,554,444	37.62	34.39	-	-
Vendor B	22,530,248	13,699,556	23.57	26.49	-	-
Total	36,644,689	24,254,000	61.19	60.88	-	-

24 OPERATING SEGMENTS

Directors determine the basis of operating segments by analyzing the Group's various revenue streams. They consider the nature of these revenues, the markets served, and the internal reporting structure. By segmenting the Group into distinct operating units, each with unique financial metrics and strategic goals, directors gain clearer insights into performance. This segmentation informs business decisions and resource allocation, allowing directors to target investments, manage costs, and optimize operations effectively for each segment.

The Group's operations are located in Malaysia. All of the Group's revenue from external customers based on the location of the Group's operations is from Malaysia. The geographical locations of the Group's non-current assets are mostly situated in Malaysia based on physical location of assets.

	For the year ended December 31, 2023					
	Data Analysis & Hosting Services					Total
	SAAS Business	Software Customization	Outright Purchase	Others		
	RM	RM	RM	RM	RM	RM
Revenue	3,605,525	2,865,215	7,357,444	14,269,572	1,182,893	29,280,649
Cost of Sales	(992,815)	(2,189,450)	(7,892,692)	(9,472,173)	(565,647)	(21,112,777)
Gross Profit	2,612,710	675,765	(535,248)	4,797,399	617,246	8,167,872
Selling & Administrative Expenses	(545,638)	(545,638)	(545,638)	(545,638)	(545,638)	(2,728,190)
Disposal Gain	—	—	—	—	662,701	662,701
Income from operations	2,067,072	130,127	(1,080,886)	4,251,761	734,309	6,102,383
Segment depreciation	983,447	163,908	327,816	81,954	81,954	1,639,079
Segment amortization	61,427	10,238	20,476	5,119	5,119	102,379
Segment Assets	12,779,177	2,129,863	4,259,726	1,064,931	1,064,931	21,298,628
Segment Liabilities	6,647,962	1,107,994	2,215,987	553,997	553,997	11,079,937

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

24 OPERATING SEGMENTS (cont.)

For the year ended December 31, 2024						
	SAAS Business RM	Software Customization RM	Data Analysis & Hosting Services RM	Outright Purchase RM	Others RM	Total RM
Revenue	12,030,103	5,678,947	12,947,339	21,342,990	-	51,999,379
Cost of Revenue	(9,268,483)	(5,589,343)	(11,710,862)	(12,943,296)	(329,444)	(39,841,428)
Gross Profit/(Loss)	2,761,620	89,604	1,236,477	8,399,694	(329,444)	12,157,951
Selling & Administrative Expenses	(667,282)	(667,282)	(667,281)	(667,281)	-	(2,669,126)
Income from operations	2,094,338	(577,678)	569,196	7,732,413	(329,444)	9,488,825
Segment depreciation	1,012,795	168,799	337,598	84,400	84,400	1,687,992
Segment amortization	33,154	5,525	11,051	2,763	2,763	55,256
Segment Assets	16,412,701	2,735,450	5,470,900	1,367,725	1,367,725	27,354,501
Segment Liabilities	5,982,180	997,030	1,994,060	498,515	498,515	9,970,300

For the year ended December 31, 2025						
	SAAS Business RM	Software Customization RM	Data Analysis & Hosting Services RM	Outright Purchase RM	Others RM	Total RM
Revenue	23,393,531	8,593,264	17,581,904	26,915,775	1,026,000	77,510,474
Cost of Revenue	(20,139,923)	(7,938,897)	(13,036,003)	(18,122,877)	(647,761)	(59,885,461)
Gross Profit	3,253,608	654,367	4,545,901	8,792,898	378,239	17,625,013
Selling & Administrative Expenses	(1,793,342)	(1,793,342)	(1,793,342)	(1,793,342)	(1,793,341)	(8,966,709)
Income/(Loss) from operations	1,460,266	(1,138,975)	2,752,559	6,999,556	(1,415,102)	8,658,304
Segment depreciation	2,145,509	357,585	715,171	178,792	178,792	3,575,849
Segment amortization	128,788	21,465	42,929	10,732	10,732	214,646
Segment Assets	69,997,957	11,666,326	23,332,653	5,833,163	5,833,163	116,663,262
Segment Liabilities	8,790,758	1,465,126	2,930,254	732,563	732,563	14,651,264

SAGTEC GLOBAL LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

25 SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the reporting date up to the date these financial statements were authorised for issue.

Subsequent to the reporting date, the Company entered into a project funding agreement on 1 January 2026 with a third party to provide funding for a development project. The arrangement involves a funding commitment of approximately RM 2.7 million and includes agreed terms relating to project delivery and settlement.

In addition, the Company entered into a non-binding term sheet for a proposed acquisition and completed certain equity issuances pursuant to existing contractual arrangements.

On 15 January 2026, a legal claim was filed against the Group in relation to a purchase agreement entered into in 11 July 2025. As at 31 December 2025, no legal proceedings had been initiated and accordingly, no provision was recognized in the financial statements. Subsequently, on 20 March 2026, the Group entered into a settlement agreement with the counterparty for a total sum of approximately USD250,000. Management has assessed that the claim and subsequent settlement represent non-adjusting events after the reporting period. Accordingly, no adjustment has been made to the financial statements for the year ended 31 December 2025.

These events are considered non-adjusting subsequent events as they do not relate to conditions existing at the reporting date. Accordingly, no adjustments have been made to the financial statements.

26 CONTINGENCIES AND COMMITMENTS

As of 31 December 2025, the Company has assessed a potential tax exposure arising from the recognition of revenue generated by Sagtec Global.

The potential exposure relates to the risk that Sagtec Global may be regarded as having a taxable presence in Malaysia, based on factors including: (i) key commercial and strategic decision-making functions being conducted in Malaysia; (ii) a significant portion of revenue being derived from customers based in Malaysia; and (iii) employees involved in operations being primarily located in Malaysia.

Notwithstanding the above, management is of the view that Sagtec Global does not have a taxable presence in Malaysia based on its current structure and governance framework. Nevertheless, as tax treatment may be subject to interpretation by the relevant authorities, there remains a potential exposure that Sagtec Global could be assessed to tax in Malaysia, which may result in additional tax liabilities, together with potential penalties and interest.

As at the reporting date, no provision has been recognized as management considers the likelihood of a material outflow of economic resources to be low. Accordingly, the matter is disclosed as a contingent liability in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.



BVI COMPANY NUMBER: 2135152

**Territory of the British Virgin Islands
BVI Business Companies Act (Revised Edition) 2020**

**Memorandum and Articles of Association
of
SAGTEC GLOBAL LIMITED**

**A company limited by shares incorporated on 31 October 2023
As amended and restated by a resolution of shareholders passed on 18 February 2025 and filed on 20 February 2025
As further amended and restated by a resolution of shareholders passed on 30 September 2025 and filed on 10 October 2025**

Mourant Ozannes, BVI is a British Virgin Islands partnership

**Memorandum of Association
of
SAGTEC GLOBAL LIMITED**

A company limited by shares

As amended and restated by a resolution of shareholders passed on 18 February 2025 and filed on 20 February 2025

As further amended and restated by a resolution of shareholders passed on 30 September 2025 and filed on 10 October 2025

1. NAME

The Company's name is SAGTEC GLOBAL LIMITED.

2. TYPE OF COMPANY

The Company is a company limited by shares.

3. REGISTERED OFFICE

3.1 First registered office

The Company's first registered office is located at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

3.2 Change of registered office

- (a) The Company may change the location of its registered office to another location in the British Virgin Islands by a resolution of shareholders or a resolution of directors.
- (b) Any change of the Company's registered office will only take effect once the registrar has registered a notice of change filed by the Company's registered agent or a legal practitioner in the British Virgin Islands acting on behalf of the Company.

4. REGISTERED AGENT

4.1 First registered agent

The Company's first registered agent is Vistra (BVI) Limited of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

4.2 Change of registered agent

- (a) The Company may change its registered agent by a resolution of shareholders or a resolution of directors.

- (b) Any change of the Company's registered agent will only take effect once the registrar has registered a notice of change filed by the Company's existing registered agent or a legal practitioner in the British Virgin Islands acting on behalf of the Company.

5. SHARES

5.1 Number and class

The Company is authorised to issue an unlimited number of no par value shares, and such shares can be issued as:

(a) A Shares; or

(b) B Shares,

or any combination of the above types of shares.

5.2 Fractions of shares

Subject to the articles, the Company may issue a fraction of a share.

5.3 Bonus, redeemable and convertible shares

Subject to the articles, the Company may issue bonus shares, redeemable shares and shares that are convertible to another class of share.

5.4 Redemptions, purchases etc

Subject to the articles, the Company may redeem, purchase or otherwise acquire, any of its shares.

5.5 Registered shares

(a) The Company may only issue registered shares.

(b) The Company may not issue bearer shares, convert registered shares to bearer shares or exchange registered shares for bearer shares.

6. RIGHTS ATTACHING TO SHARES

6.1 A Shares

Subject to the articles, each A Share confers on the holder the right to:

- (a) one vote at a meeting of the shareholders or on any resolution of shareholders;
- (b) an equal share in any distribution paid by the Company in accordance with the Act and the articles; and
- (c) an equal share in the distribution of any surplus assets of the Company on its liquidation.

6.2 B Shares

Subject to the articles and clause 6.3 of this memorandum, each B Share confers on the holder the right to:

- (a) twenty votes at a meeting of the shareholders or on any resolution of shareholders;
- (b) an equal share in any distribution paid by the Company in accordance with the Act and the articles;
- (c) an equal share in the distribution of any surplus assets of the Company on its liquidation; and
- (d) convert that B Share into an A Share in accordance with clause 6.4 (Voluntary conversion of B Shares) of this memorandum.

6.3 Automatic conversion of B Shares

- (a) Where any B Share is the subject of a transfer, assignment, transmission or other disposal of a legal, beneficial or other interest in that share to any person who is not immediately prior to such transfer a holder of B Shares or a Permitted Transferee (a **Transfer Share**), such Transfer Share shall be automatically converted to an A Share immediately prior to such transfer taking place without the consent of the holder of B Shares and for the avoidance of doubt:
 - (i) a sale, transfer, assignment or disposition shall be effective upon the Company's registration of such sale, transfer, assignment or disposition in its register of shareholders; and
 - (ii) the creation of any pledge, charge, encumbrance or other third party right of whatever description on any B Share to secure a holder's contractual or legal obligations shall not be deemed as a sale, transfer, assignment or disposition unless and until any such pledge, charge, encumbrance or other third party right is enforced and results in the third party holding legal title to the relevant B Share, in which case all the related B Shares shall be automatically converted into of A Shares on a one-for-one basis.
- (b) Where any B Share has been transferred to any person who ceases to be a Permitted Transferee of the original holder of that B Share, that B Share shall be automatically converted to an A Share with effect from the time and date that person ceases to be a Permitted Transferee, without the consent of the shareholder and on a one-for-one basis.

6.4 Voluntary conversion of B Shares

Any holder of B Shares shall have the right, upon 10 Business Days' prior written notice to the Company and without the consent of the Company, to automatically convert any or all of their B Shares into A Shares on a one-for-one basis.

6.5 Share conversion

Following any share conversion under clauses 6.3 – 6.4 of this memorandum, the directors shall update (or instruct the Company's transfer agent and / or registered agent (as the case may be) to update) the shareholder lists and / or register of shareholders (as the case may be) to reflect any such conversion.

6.6 Articles

Any provision of the articles which modifies, supplements, restricts or negates any of the rights conferred on the holder of a share by this memorandum, is taken to be included in this memorandum as if set out in full.

7. VARIATION OF CLASS RIGHTS

7.1 Variation

If the Company has different classes of shares in issue, unless the rights attaching to a class of shares state otherwise, the rights attached to that class may only be varied, whether the Company is a going concern or is being liquidated:

- (a) with the written consent of the holders of the majority of the issued shares of that class;
- (b) by a resolution of shareholders of that class;
- (c) pursuant to clause 6.3 (Automatic conversion of B Shares); or
- (d) pursuant to clause 6.4 (Voluntary conversion of B Shares).

7.2 Rights not varied

The rights conferred on the holders of any class of shares issued with preferred or other rights will not (unless the rights attaching to the shares of that class expressly state otherwise) be treated as being varied by the creation or issue of further shares ranking after or equally with the shares of that class.

8. CAPACITY

8.1 Capacity

Subject to the Act and any other applicable enactment of the British Virgin Islands, the Company has (irrespective of corporate benefit):

- (a) full capacity to carry on, or undertake, any business or activity, do any act or enter into any transaction; and
- (b) for the purposes of paragraph (a) above, full rights, powers and privileges.

8.2 No limitations

For the purposes of the Act, there are no limitations on the businesses or activities that may be carried on, or undertaken, the acts that may be done, or the transactions that may be entered into, by the Company.

8.3 Listing on a Designated Stock Exchange

If the Company has a class of shares listed on a Designated Stock Exchange, the following provisions apply:

- (a) any action prohibited by the applicable Listing Rules shall not be taken;
- (b) nothing contained in this memorandum or the articles prevents any action being taken which is required by the applicable Listing Rules;
- (c) authority is given for any act to be done or not done (as the case may be) where required by the applicable Listing Rules; and
- (d) the Company shall promptly amend this memorandum and the articles to:
 - (i) include any provision required to comply with a requirement of the applicable Listing Rules where such provision is not already included; and
 - (ii) rectify any provision of this memorandum and the articles which is or becomes inconsistent with the applicable Listing Rules,

provided that no act required to be done by the applicable Listing Rules is contrary to or otherwise prohibited by the Act.

9. **LIABILITY OF SHAREHOLDERS**

9.1 **No liability for Company's liabilities**

No shareholder has any liability, as a shareholder, for the liabilities of the Company.

9.2 **Liability to the Company**

The liability of each shareholder to the Company, as a shareholder, is limited to the amount (if any) unpaid on the shareholder's shares.

10. **AMENDMENTS TO MEMORANDUM AND ARTICLES**

10.1 **Shareholders**

The shareholders may amend this memorandum or the articles by a resolution of shareholders.

10.2 **Directors**

(a) The directors may amend this memorandum or the articles by a resolution of directors.

(b) The directors do not have the power to amend:

(i) this memorandum or the articles:

(A) to restrict the rights or powers of the shareholders to amend this memorandum or the articles;

(B) to change the percentage of shareholders required to pass a resolution of shareholders to amend this memorandum or the articles; or

(C) in circumstances where this memorandum or the articles cannot be amended by the shareholders;

(ii) clause 6 (Rights attaching to shares);

(iii) clause 7 (Variation of class rights); or

(iv) this clause 10 (Amendments to memorandum and articles), of this memorandum.

10.3 **Effectiveness**

Subject to the Act, any amendment to this memorandum or the articles will only take effect once the registrar has registered:

(a) a notice of amendment; or

(b) an amended and restated memorandum of association or amended and restated articles of association,

filed by the Company's registered agent.

11. **INTERPRETATION**

Definitions and principles of interpretation in the Company's articles of association apply in this memorandum unless the context requires otherwise.

We, Vistra (BVI) Limited of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign this Memorandum of Association the 31st day of October, 2023.

Incorporator



(Sd.) Rexella D. Hodge

Authorised Signatory

Vistra (BVI) Limited

Articles of Association
of
SAGTEC GLOBAL LIMITED

A company limited by shares

As amended and restated by a resolution of shareholders passed on 18 February 2025 and filed on 20 February 2025

As further amended and restated by a resolution of shareholders passed on 30 September 2025 and filed on 10 October 2025

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply in these articles of association unless the context requires otherwise:

Act means the BVI Business Companies Act (Revised Edition) 2020;

AGM means any annual general meeting of the shareholders called by the directors under (and in accordance with the requirements of) article 11 (Shareholders' meetings and written resolutions);

articles means these articles of association as amended or amended and restated from time to time;

A Shares means the A ordinary shares of no par value in the Company, having the rights set out in the memorandum and these articles;

B Shares means the B ordinary shares of no par value in the Company, having the rights set out in the memorandum and these articles;

Business Day means a day other than a Saturday, Sunday or public holiday in New York City, New York, Malaysia or the British Virgin Islands;

charge means any charge, mortgage or other security interest;

chargee means the person to whom a charge has been granted or any nominee of that person;

committee means a committee of directors to which any powers of the directors have been delegated under these articles;

Control means the possession, directly or indirectly, of the power to direct the management and policies of a company or other entity whether through the ownership of voting securities, by contract or otherwise;

Company means Sagtec Global Limited;

Designated Stock Exchange means any stock exchange in the United States of America on which any shares are listed for trading;

director means, at any time, a person who is a director of the Company and (where appropriate) includes an alternate director;

Electronic Transactions Act means the Electronic Transactions Act, 2021, including any modification, amendment, extension, re-enactment or renewal thereof and any regulations made thereunder;

entitled person means a person who is entitled to a share by reason of the death, bankruptcy or insolvency of a shareholder or otherwise by operation of the law;

financial statements means, for any financial period of the Company:

- (a) a balance sheet;
- (b) a profit and loss account or statement; and
- (c) any other financial statement the directors decide by a resolution of directors, or are required by a resolution of shareholders, to prepare;

Listing Rules means the applicable SEC marketplace rules which apply to the Company for so long as the Company has a class of shares listed on a Designated Stock Exchange, such rules as amended or replaced from time to time;

memorandum means the Company's memorandum of association as amended or amended and restated from time to time;

Permitted Transferee means, in relation to a holder of B Shares:

- (d) any Privileged Relation of that holder;
- (e) any company or other entity over which that holder has Control; or
- (f) a trust set up wholly for the benefit of:
 - (i) that shareholder; and / or
 - (ii) the Privileged Relations of that shareholder;

Privileged Relation means, in relation to a holder of B Shares, his, her or its spouse, children and grandchildren (including step and adopted children and grandchildren) and their legal successors;

register of shareholders means the register of members maintained by or on behalf of the Company under the Act;

registrar means the Registrar of Corporate Affairs appointed under the Act;

resolution of directors means a resolution:

- (a) passed by a simple majority of the votes cast in respect of the resolution, at a valid meeting of directors or a committee, by directors or members of the committee (or their alternates) present at the meeting; or
- (b) in writing that is signed or consented to (including by way of fax or email) by a majority of directors or members of a committee (or their alternates),

who are entitled to vote on the resolution;

resolution of shareholders means a resolution:

- (a) passed by a simple majority of the votes cast in respect of the resolution, at a valid meeting of shareholders (or class of shareholders), by shareholders present (in person or by proxy) at the meeting; or
- (b) in writing that is signed or consented to (including by way of fax or email) by shareholders (or shareholders of the relevant class) who hold shares carrying a simple majority of the votes that may be cast in respect of the resolution,

who are entitled to vote on the resolution;

SEC means the U.S. Securities and Exchange Commission;

share means a share issued, or to be issued, by the Company and includes a fraction of a share;

shareholder means a person who is recorded in the register of shareholders as the holder of a share;

solvency test means that:

- (a) the value of the Company's assets exceed its liabilities; and
- (b) the Company is able to pay its debts as they fall due;

transfer form means a written notice under which title to a share is transferred; and

Transfer Share has the meaning provided for it in clause 6.3 (Automatic Conversion of B Shares) of the memorandum.

1.2 Act definitions

Definitions in the Act apply in these articles unless the relevant term is defined in these articles or the context requires otherwise.

1.3 Interpretation

The following rules apply in these articles unless the context requires otherwise:

- (a) headings are for convenience only and do not affect interpretation;
- (b) the singular includes the plural and the converse;
- (c) a gender includes all genders;
- (d) a reference to any person, corporation, trust, partnership, unincorporated body or other entity includes any of them;
- (e) a reference to legislation (or to a provision of it) includes a modification or re-enactment of it, a legislative provision substituted for it and any regulation, order or other statutory instrument issued under it;
- (f) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (g) mentioning anything after **include**, **includes** or **including** does not limit what else might be included;
- (h) a reference to a **clause** is to a clause of the memorandum, and a reference to an **article** is to an article of these articles;
- (i) a reference to a thing being **written** or **in writing** includes all forms of writing, including all electronic records which satisfy the requirements of the Electronic Transactions Act, including (but not limited to) information generated, sent, received or stored by electronic, electrical, digital, magnetic, optical, electromagnetic, biometric or photonic means, including electronic data interchange, electronic mail, telegram, telex or telecopy;
- (j) a reference to a thing being **signed** or to a person's **signature** shall include reference to an electronic signature which satisfies the requirements of the Electronic Transactions Act; and
- (k) where the directors have delegated any of their powers to a committee or person, a reference to a **resolution of directors** in relation to the exercise of that power is to be construed accordingly.

1.4 **Class meetings and written resolutions**

If the Company has different classes of shares in issue, the provisions of these articles relating to:

- (a) meetings of shareholders, proceedings at them and eligibility to attend and vote at them; and
- (b) written resolutions of shareholders,

apply (having made all necessary changes) to each meeting or written resolution of the holders of a class of shares.

2. **PRELIMINARY EXPENSES**

The directors may pay all expenses incurred preliminary to, and in connection with, the incorporation of the Company.

3. **SHARES**

3.1 **Rights**

Subject to the Act and any necessary amendments to the memorandum and these articles being made, any share may be issued with any preferred, deferred or other special rights, or with any restrictions, whether in relation to voting, distributions or otherwise, the directors decide by a resolution of directors.

3.2 **Issue**

- (a) Subject to the Act, the memorandum and these articles, the unissued shares may be issued, and options to acquire shares may be granted, at any times, to any persons (whether or not shareholders), for any consideration and on any terms, the directors decide by a resolution of directors.
- (b) A share is taken to be issued when the name of the holder is entered in the register of shareholders as the holder of the share.

3.3 **No pre-emptive rights**

The directors do not have to offer to issue any shares, or transfer any treasury shares, to any existing shareholder before issuing the shares, or transferring the treasury shares, to any person.

3.4 **Consideration**

- (a) A share may be issued for consideration in any form or combination of forms, including money, a promissory note (or other written obligation to contribute money or property), real property, personal property (including goodwill and know-how), services performed or a contract to perform future services.

- (b) Before issuing a share for a consideration that is or includes non-cash consideration, the directors must pass a resolution of directors stating:
 - (i) the amount to be credited for the issue of the share; and
 - (ii) that (in their opinion) the reasonable present cash value of the non-cash consideration and any cash consideration is not less than the amount to be credited for the issue of the share.
- (c) A share issued by the Company upon conversion of, or in exchange for, another share or a debt obligation or other security in the Company, shall be treated for all purposes as having been issued for money equal to the value of the consideration received or deemed to have been received by the Company in respect of the other share, debt obligation or security.

3.5 Nil paid and partly paid shares

- (a) The directors may issue shares that are nil paid or partly paid on issue.
- (b) Shares that are not fully paid on issue are subject to the forfeiture provisions of these articles. For this purpose, shares are not considered to be fully paid on issue if the consideration for which they are issued is a promissory note (or other written obligation to contribute money or property) or a contract for future services.

3.6 Fractions of shares

- (a) A fraction of a share confers on the holder the rights, obligations and liabilities of a whole share of the same class corresponding to the fraction other than the right to vote.
- (b) If the holder of a fraction of a share acquires a further fraction of a share of the same class, the fractions will be treated as being consolidated.

3.7 Joint holdings

Where two or more persons are registered as the holders of a share:

- (a) the joint holders are taken to hold the share as joint tenants with the benefit of survivorship;
- (b) the Company need not register more than four persons as the joint holders of the share;
- (c) the joint holders are jointly and individually liable for all amounts owed to the Company in respect of the share;
- (d) any joint holder may give a good receipt for any dividend or other distribution or other payment from the Company in respect of the share;
- (e) unless another joint holder is nominated by a written notice signed by all of the joint holders for any of these purposes, only the senior joint holder is entitled to:
 - (i) receive a share certificate for the share;
 - (ii) attend and vote (whether in person or by proxy) at any meeting of shareholders, or sign or consent to any written resolution of shareholders, in respect of the share;
 - (iii) receive notices from the Company in respect of the share and any notice given to the senior joint holder is to be treated as being given to all of the joint holders; and
 - (iv) receive any dividend or other distribution or other payment from the Company in respect of the share; and

- (f) for the purpose of this article, seniority is determined by the order in which the names of the joint holders appear in the register of shareholders.

4. INTERESTS NOT RECOGNISED

4.1 Trusts not recognised

Except as required by law or these articles, the Company is not required to:

- (a) recognise any person as holding any share on any trust (whether express, implied or constructive); and
- (b) enter in the register of shareholders notice of any trust (whether express, implied or constructive).

4.2 Registered holder's absolute right

Except as required by law or these articles, the Company is not required to recognise (even when having notice of it) any interest (whether equitable, contingent, future or otherwise) in any share other than the registered holder's absolute right to the share and all rights attaching to it.

5. CHARGES OVER SHARES

5.1 Creation

Subject to the Act, and the applicable Listing Rules, a shareholder may create a charge over any of the shareholder's shares.

5.2 Register of shareholders

- (a) If a shareholder notifies the Company that the shareholder has created a charge over any of the shareholder's shares, and requests the Company to do so, the Company must enter the following particulars in the register of shareholders:
 - (i) a statement that the relevant number of the shareholder's shares is subject to a charge;
 - (ii) the name of the chargee; and
 - (iii) the date of which the particulars specified in paragraphs (a) and (b) above are entered in the register of shareholders.
- (b) Where particulars of a charge are entered in the register of shareholders in accordance with these articles, the particulars will only be cancelled or removed:
 - (i) with the written consent of the chargee or a person who the directors are satisfied is authorised to act on behalf of the chargee; or
 - (ii) if the Company is provided with:
 - (A) evidence satisfactory to the directors that the liabilities secured by the charge have been discharged in full; and
 - (B) (if the directors consider it necessary or desirable) an indemnity that is satisfactory, in form and substance, to the directors.

5.3 **No dealings**

While particulars of a charge over any shares of a shareholder are entered in the register of shareholders in accordance with these articles, the Company will not:

- (a) register any transfer of any of those shares;
- (b) purchase, redeem or otherwise acquire any of those shares; or
- (c) issue any replacement share certificate for any of those shares, without the written consent of the chargee.

5.4 **No liability**

Despite anything to the contrary contained in these articles, neither the Company nor any of its directors, officers, agents or employees will incur any liability to any chargee for failing to comply with any provision of these articles relating to shares that are subject to a charge.

6. **SHARE CERTIFICATES**

6.1 **No certification requirement**

- (a) Nothing in the memorandum or these articles shall require title to any share to be evidenced by a share certificate to the extent the Act, the applicable Listing Rules, or any other laws, rules, procedures or other requirements applicable to shares listed on a Designated Stock Exchange permit otherwise.
- (b) Subject to and in accordance with the Act and the laws, rules, procedures and other requirements applicable to shares listed on a Designated Stock Exchange (including, but not limited to, the applicable Listing Rules), the directors, without further consultation with any shareholder, may resolve that any class or series of shares in issue, or to be issued, from time to time, may be issued, held, registered, converted to, transferred or otherwise dealt with in uncertificated form.

6.2 **Indemnity**

Each shareholder to whom a share certificate is issued must indemnify each of the Company and its directors, officers, agents and employees, from any loss, cost, liability or expense which any of them may incur from any wrongful or fraudulent use or representation made by any person who possesses the share certificate.

7. **TRANSFER AND TRANSMISSION**

7.1 **Transfers**

In these articles, reference to the transfer of a share includes a transfer, assignment or other disposal of a beneficial or other interest in that share, and reference to a share includes a beneficial or other interest in a share, either voluntarily or involuntarily, directly or indirectly, whether or not for consideration, and reference to a share includes a beneficial or other interest in a share, with any transfer of a B Share being subject to clause 6.3 (Automatic conversion of B Shares) of the memorandum.

7.2 **Listed shares**

Where shares are listed on a Designated Stock Exchange, the shares may be transferred without the need for a written instrument of transfer if the transfer is carried out in accordance with the laws, rules, procedures and other requirements applicable to shares listed on a Designated Stock Exchange (including, but not limited to, the applicable Listing Rules).

7.3 **Non-listed shares**

Where shares are not listed on a Designated Stock Exchange, any transfer of such shares shall be effected in accordance with the provisions of articles 7.4 and 7.5.

7.4 **Transfer forms**

- (a) In the case of non-listed shares and subject to the Act, a share may only be transferred by a transfer form.
- (b) A transfer form must:
 - (i) be signed by the transferor;
 - (ii) identify the number and class of shares being transferred;
 - (iii) state the name and address of the transferee;
 - (iv) relate to one class of shares only; and
 - (v) (if the transfer will impose a liability to the Company on the transferee) be signed by the transferee.

7.5 **Registration**

- (a) In the case of non-listed shares, a share may be transferred if the transferor or transferee delivers to the office of the Company's registered agent or any other address the directors specify for this purpose:
 - (i) a properly signed and completed transfer form;
 - (ii) the share certificate (if any) for the share; and
 - (iii) any evidence establishing the right of the transferor to transfer the share the directors require by a resolution of directors.
- (b) Subject to these articles, the Company must, promptly on receiving the documents referred to in paragraph (a) above, enter the name of the transferee of a share in the register of shareholders as the holder of the share unless the directors pass a resolution of directors refusing to register the transfer.
- (c) Subject to these articles, the directors may (in their sole and absolute discretion) decide by a resolution of directors to refuse to register the transfer of a share for any reason.
- (d) Where the directors refuse to register the transfer of a share:
 - (i) they must state the reason for their refusal in a resolution of directors; and
 - (ii) the Company must, as soon as practicable, send each of the transferor and transferee a notice of refusal.
- (e) The directors must promptly register (and may not decline to register) the transfer of any share if:
 - (i) the share is subject to a charge that is recorded in the register of shareholders;

- (ii) the chargee gives the Company written confirmation that:
 - (A) the liabilities secured by the charge have not been discharged in full; and
 - (B) the transfer is being made in connection with the creation, perfection or enforcement of the charge; and
- (iii) the transfer form complies with the provisions of these articles and is accompanied by the share certificate (if any) for the share.

7.6 **Passing of title**

The transfer of a share is only effective once the name of the transferee is entered in the register of shareholders.

7.7 **Transmission**

- (a) If a shareholder dies, the only person who will be recognised by the Company as having any title to the deceased shareholder's interest in any share is:
 - (i) (where the deceased shareholder was a joint holder) any surviving joint holder; or
 - (ii) (where the deceased shareholder was a sole or the only surviving holder) the personal representative of the deceased shareholder,

but nothing in these articles releases the estate of a deceased shareholder from any liability in respect of the share.
- (b) An entitled person may elect to have a share registered in:
 - (i) the entitled person's name by giving written notice to that effect to the Company; or
 - (ii) another person's name by delivering to the Company a properly signed and completed transfer form in favour of that person.
- (c) An entitled person must produce any evidence establishing the entitled person's entitlement to a share the directors require by a resolution of directors.
- (d) An entitled person has the same rights in relation to a share to which the entitled person is entitled as the entitled person would have if the share were registered in the entitled person's name, except that until the entitled person is registered as the holder of the share, the entitled person cannot attend or vote at any meeting of shareholders or sign or consent to any written resolution of shareholders.

8. **CALLS**

8.1 **Calls**

- (a) Subject to these articles and the rights attaching to any class of shares:
 - (i) the directors may make calls on a shareholder for any amount of the issue price of the shareholder's shares that has not been paid to the Company;
 - (ii) a call must be made by giving a written notice of call; and
 - (iii) at least 14 days' notice of a call must be given to the shareholder.

- (b) A call may be made payable in instalments. The directors may postpone a call or revoke it (in whole or part).
- (c) A call is taken to have been made at the time the resolution of directors to make the call is passed.

8.2 Notice of call

- (a) A notice of call must state:
 - (i) the shares to which it relates;
 - (ii) the amount of the call;
 - (iii) the date by which payment must be made in full; and
 - (iv) the place where the call must be paid or details of a bank account into which payment may be made by electronic funds transfer.
- (b) Where the terms of issue of any shares state that an amount becomes payable on a fixed date, then:
 - (i) the terms of issue are to be treated as a properly given notice of call;
 - (ii) each shareholder must pay the amount in full in accordance with the terms of issue; and
 - (iii) if a shareholder fails to pay the amount in full, the provisions of these articles (including regarding payment of interest and forfeiture) apply as if the amount had become payable under a properly given notice of call.

8.3 Interest

If a shareholder fails to pay a call (or instalment of a call) in full on or before the due date for payment, the directors may require the shareholder to pay interest on the sum due from the specified payment date to the time of actual payment at a rate determined by a resolution of directors.

9. FORFEITURE

9.1 Application

This article applies to any share that is not fully paid on issue unless the share is subject to a charge that is recorded in the register of shareholders.

9.2 Default notice

- (a) If a shareholder fails to pay any call (or instalment of a call) in full on or before the due date for payment, the directors may serve a written notice (a **default notice**) on the shareholder requiring the shareholder to pay:
 - (i) the amount of the call (or instalment) that remains unpaid;
 - (ii) any interest which has accrued on the unpaid amount; and
 - (iii) any expenses which the Company has incurred as a result of the shareholder's payment default.

- (b) A default notice must state:
 - (i) the shares to which it relates;
 - (ii) the amount of the call (or instalment) that remains unpaid;
 - (iii) the additional amounts (if any) the shareholder must pay under these articles as a result of the shareholder's payment default;
 - (iv) a further payment date (which must not be earlier than 14 days from the date of receipt of the default notice) by which the shareholder must pay in full all amounts payable under the default notice;
 - (v) the place where all amounts payable under the default notice must be paid or details of a bank account into which payment may be made by electronic funds transfer; and
 - (vi) that, if the shareholder fails to pay in full all amounts payable under the default notice by the date specified in it, the shares (or any of them) for which payment is not made will be liable to be forfeited.

9.3 Forfeiture

- (a) Where a shareholder fails to comply with a default notice, the directors may at any time prior to payment being made in full, decide by a resolution of directors to forfeit and cancel any of the shares to which the default notice relates.
- (b) Any share that has been forfeited and cancelled may be re-issued under these articles.

9.4 Effect of forfeiture

A shareholder whose shares have been forfeited and cancelled:

- (a) ceases to be a shareholder in respect of those shares;
- (b) is not entitled to be refunded any moneys paid to the Company in respect of those shares; and
- (c) is discharged from any further obligation to the Company in respect of those shares.

10. PURCHASES AND REDEMPTIONS

10.1 Purchases and redemptions

- (a) Subject to the Act and these articles, the directors may:
 - (i) purchase, redeem or otherwise acquire any shares at any times, from any shareholder, for any consideration (whether or not at a premium) and on any terms the directors decide by a resolution of directors; or
 - (ii) acquire for no consideration any fully paid shares from a shareholder by way of surrender of the shares.

- (b) Sections 60 (Process for purchase etc), 61 (Offer to one or more shareholders) and 62 (Shares redeemed otherwise than at option of company) of the Act do not apply to the Company.

10.2 **Consent**

The Company must not purchase, redeem or otherwise acquire any shares without the consent of the shareholder concerned unless the Company is permitted to do so without the shareholder's consent by the Act, the memorandum or these articles and for the avoidance of doubt, shareholder consent is not required for any conversion of shares pursuant to clause 6.3 of the memorandum.

10.3 **Solvency test**

- (a) The directors may only purchase, redeem or otherwise acquire any shares if they are satisfied (on reasonable grounds) that the Company will satisfy the solvency test immediately after the relevant payment is made.
- (b) This article only applies where the Act requires the directors to be satisfied as to the matters referred to in this article.

10.4 **Treasury shares**

- (a) If the directors decide by a resolution of directors to do so, the Company may hold as treasury shares any shares that it purchases, redeems or otherwise acquires in accordance with these articles.
- (b) If the purchase, redemption or other acquisition of any share would, when aggregated with all other shares of that class held by the Company as treasury shares, result in the Company holding more than 50 per cent of the issued shares of that class (excluding any shares that have been cancelled), that share must be cancelled but may be reissued.
- (c) All rights and obligations attaching to a treasury share are suspended and may not be exercised by or against the Company while it holds the share as a treasury share.
- (d) Any treasury shares held by the Company may be transferred at any times, to any persons (whether or not shareholders), for any consideration and on any terms the directors decide by a resolution of directors.

11. **SHAREHOLDERS' MEETINGS AND WRITTEN RESOLUTIONS**

11.1 **Calling meetings**

- (a) The directors:
 - (i) may call a meeting of shareholders (or a class of shareholders) if they decide to do so by a resolution of directors; and
 - (ii) must call a meeting of shareholders (or a class of shareholders) if they are requested to do so in writing by shareholders entitled to exercise at least 30 per cent of voting rights in respect of the matter for which the meeting is requested.
- (b) Where the directors are required to call a meeting of shareholders at the request of shareholders, they must call the meeting within a reasonable period of time, and in any event within 60 days, of receipt of the request.

11.2 **Annual General Meeting**

Where shares are listed on a Designated Stock Exchange, the Company may, at the directors' discretion, hold an AGM .

11.3 **Time and place**

Each meeting of shareholders or AGM may be held at any time and any place (whether within or outside the British Virgin Islands) the directors decide by a resolution of directors.

11.4 **Length and form of notice**

- (a) Each meeting of shareholders or AGM must be called by not less than seven days' written notice.
- (b) Each notice of meeting must state:
 - (i) the date, time and place of the meeting;
 - (ii) (if it is anticipated that not all shareholders will participate in the meeting from the same place) the means by which they will communicate with each other during the meeting; and
 - (iii) the general nature of the business to be conducted.
- (c) The directors must give notice of each meeting of shareholders or AGM to:
 - (i) each person who, on the record date, is recorded as a shareholder in the register of shareholders other than any shareholder who is not entitled under these articles to attend and vote at the meeting; and
 - (ii) each director.
- (d) The directors may set a record date for determining the shareholders entitled to attend and vote at a meeting of shareholders or an AGM. The record date may be the date on which the notice of meeting is given or a later date specified in the notice.

11.5 **Waiver and failure to give notice**

- (a) If a meeting of shareholders or an AGM is held in contravention of the notice requirements of these articles, the meeting will be valid if shareholders holding at least 90 per cent of the total voting rights on all the matters considered at the meeting waive notice of the meeting. For this purpose, the presence of a shareholder at the meeting constitutes waiver of notice by the shareholder.
- (b) A meeting of shareholders or an AGM will be valid even if the Company inadvertently fails to give notice of the meeting to any person entitled to receive it or the person does not receive it.

11.6 **Persons entitled to attend**

- (a) Each director may attend and speak at any meeting of shareholders (or class of shareholders) or AGM even if the director is not a shareholder.
- (b) The directors may invite any person (including an auditor) who is not a shareholder to attend and speak at any meeting of shareholders (or class of shareholders) or AGM.

- (c) Except as stated otherwise in these articles, no person may attend, vote or speak at any meeting of shareholders (or class of shareholders) or AGM unless the person is a shareholder.

11.7 **Quorum**

- (a) No business may be conducted at any meeting of shareholders or AGM (other than the adjournment of the meeting) unless a quorum is present at the time the meeting proceeds to business.
- (b) A quorum is present at a meeting of shareholders and an AGM if one or more shareholders, who hold shares that carry at least one third of the voting rights of all shares then in issue, are present in person or by proxy. If the Company has a sole shareholder, a quorum is present if the sole shareholder is present.
- (c) Where a quorum is not present within half an hour of the time set for the start of the meeting, if the meeting was called:
 - (i) at the request of shareholders in accordance with the Act or these articles, it will be dissolved; or
 - (ii) by the directors, the meeting will be adjourned to the following day and be held at the same time and place or any other date, time and/or place the directors decide by a resolution of directors.

11.8 **Chairman**

- (a) The chairman of directors is to act as chairman at every meeting of shareholders or AGM.
- (b) If there is no chairman of directors, the chairman is not present or the chairman is unwilling to act as chairman of the meeting, the directors present must choose from among themselves a chairman for the meeting.
- (c) If no director is present and willing to act as chairman of the meeting, the shareholders present (in person or by proxy) must choose a shareholder to be chairman. If they cannot agree on a chairman, the meeting will be dissolved.

11.9 **Adjournment**

- (a) The chairman of a meeting of shareholders or an AGM:
 - (i) may, with the consent of the shareholders present (in person or by proxy); and
 - (ii) must, if directed to do so by a resolution of shareholders,adjourn the meeting to another date, time and/or place.
- (b) In addition, the chairman of the meeting may, at any time without the consent of the shareholders present (in person or by proxy), adjourn the meeting (whether or not it has commenced or a quorum is present) to another date, time and/or place if the chairman considers that it would facilitate the conduct of the business of the meeting to do so.
- (c) Nothing in this article limits any other power vested in the chairman of the meeting to adjourn the meeting.

- (d) No business may be conducted at any adjourned meeting other than the business which might have been conducted at the meeting from which the adjournment took place.

11.10 **Voting**

- (a) A resolution put to a vote at a meeting of shareholders or an AGM, will be passed and become a resolution of shareholders if the necessary number of votes is cast in favour of the resolution.
- (b) At any meeting of shareholders or AGM, each shareholder entitled to vote on a resolution, has (on a show of hands or on a poll) the number of votes for every share held by the shareholder as prescribed by clause 6 of the memorandum. A shareholder need not cast all of the shareholder's votes or cast all of the shareholder's votes in the same way.
- (c) At any meeting of shareholders or AGM, a resolution put to a vote must be decided on a show of hands unless a poll is demanded by the chairman or a shareholder either before or after the declaration of the result of the show of hands.
- (d) Unless a poll is demanded:
 - (i) a declaration by the chairman of the meeting that a resolution has been passed or lost on a show of hands; and
 - (ii) an entry to that effect in the minutes of the meeting,is conclusive evidence of the fact without proof of the number or proportion of the votes cast for or against the resolution.
- (e) If a poll is demanded, it must be taken immediately in any manner the chairman directs. The result of the poll will be treated as the decision of the shareholders present (in person or by proxy) on the resolution for which the poll was demanded.
- (f) A demand for a poll may be withdrawn at any time before the poll is taken.
- (g) A person may only object to the qualification of any other person to vote at the meeting of shareholders or AGM (or any adjournment of the meeting) at which that other person's vote is cast. Any objection must be referred to the chairman of the meeting whose decision will be final and conclusive. Every vote not disallowed by the chairman will be valid for all purposes.

11.11 **Restriction on voting and quorum**

Unless the directors decide otherwise by a resolution of directors, a shareholder may not:

- (a) attend or vote (in person or by proxy) at any meeting of shareholders (or class of shareholders) or AGM; or
- (b) sign or consent to any written resolution of shareholders (or class of shareholders),

in respect of any share held by the shareholder unless all calls and other sums currently payable by the shareholder to the Company in respect of the share have been paid in full.

11.12 Proxies

- (a) A shareholder may appoint a proxy to attend, speak and vote on behalf of the shareholder at any meeting of shareholders (or class of shareholders) or AGM.
- (b) A proxy need not be a shareholder and must be appointed by a written notice (a **proxy notice**).
- (c) A proxy notice must be:
 - (i) in the form provided to shareholders by the Company (if any) or any form the chairman of the meeting accepts as properly evidencing the wishes of the relevant shareholder;
 - (ii) signed by the shareholder or the shareholder's properly appointed attorney or (if the shareholder is a body corporate) executed under its common seal or signed by a properly authorised officer or attorney; and
 - (iii) deposited at the Company's registered office (or any other place specified for this purpose in the notice of meeting) together with any power of attorney or other authority (if any) under which it was signed or executed at least two hours before the time set for the start of the meeting or any later time the chairman of the meeting permits.
- (d) Unless the proxy notice states otherwise:
 - (i) it is valid for any adjournment of the meeting to which it relates; and
 - (ii) confers authority on the proxy to vote or abstain as the proxy thinks fit on any resolution to be considered at the meeting (including an amendment to a resolution).
- (e) The chairman of the meeting may accept as valid a copy of any proxy notice and any power of attorney or other authority (if any) under which it was signed or executed. If the chairman does so, within seven days of the date of the meeting, the shareholder must produce to the Company:
 - (i) the original proxy notice; and
 - (ii) a copy of the power of attorney or other authority (if any) under which it was signed or executed certified in a manner acceptable to the directors,otherwise the votes cast by the proxy will be disregarded.
- (f) A vote given by proxy will be treated as valid despite the previous termination or revocation of the authority of the proxy if the Company has not received written notice of the termination or revocation of authority at Company's registered office (or any other place for the deposit of proxy notices specified in the notice of meeting) prior to the time set for the start of the meeting (or any adjournment of the meeting).
- (g) If two or more valid but differing proxy notices are received from a shareholder for use at the same meeting, the one which is last received (regardless of its date or the date of its signature) will be treated as replacing and revoking the others. If the Company is unable to determine which proxy notice was last received, none of them will be treated as valid.

11.13 Shareholders with legal incapacity

- (a) Where a shareholder suffering from any legal incapacity has appointed an attorney or is the subject of an order made by any court having jurisdiction in matters concerning legal incapacity:
 - (i) the shareholder may:
 - (A) vote at any meeting of shareholders (or class of shareholders) or AGM; or
 - (B) sign or consent to any written resolution of shareholders (or class of shareholders),by the attorney or by any guardian, trustee or other person appointed by the court (each, an **appointed person**); and
 - (ii) any appointed person may vote at any meeting of shareholders (or class of shareholders) or AGM by proxy.
- (b) The directors may require any evidence they think fit of the authority of an appointed person prior to any vote being exercised, or any written resolution of shareholders being signed or consented to, by the appointed person.

11.14 Corporate representatives

- (a) Any body corporate which is a shareholder may, by a resolution of its directors or other governing body, authorise any individual to act as its representative at a meeting of shareholders (or class of shareholders) or an AGM.
- (b) For the purposes of these articles:
 - (i) a body corporate is taken to be present in person at any meeting of shareholders or AGM if its representative is present at the meeting; and
 - (ii) the representative is entitled to exercise the same rights the body corporate could exercise if it were an individual.
- (c) The directors may (but are not bound to) require evidence of the authority of any individual to represent a body corporate at a meeting of shareholders (or class of shareholders) or an AGM, certified in any manner they think fit.

11.15 Participation by electronic means

- (a) A shareholder is taken to be present at a meeting of shareholders (or class of shareholders) or an AGM if:
 - (i) the shareholder participates in the meeting (in person or by proxy) by telephone or other electronic means; and
 - (ii) all shareholders participating in the meeting are able to hear each other.
- (b) Where one or more shareholders participate in a meeting of shareholders or an AGM by telephone or other electronic means, the meeting will be taken to be held at the place where the chairman of the meeting is located.

11.16 **Written resolutions of shareholders**

- (a) Any action that may be taken by the shareholders at a meeting of shareholders (or class of shareholders) may also be taken by the shareholders (or class of shareholders) passing a written resolution of shareholders without the need for any prior notice to be given.
- (b) A written resolution of shareholders:
 - (i) may consist of several documents (including electronic communications) in substantially the same form;
 - (ii) may be signed or consented to by the relevant shareholder or the shareholder's attorney or (in the case of a body corporate) a properly authorised officer or attorney; and
 - (iii) must be sent to each shareholder who would be entitled to attend a meeting of shareholders and vote on the resolution.
- (c) Where a written resolution of shareholders is passed without all of the shareholders signing or consenting to it, the Company must send a copy of it to those shareholders who have not signed or consented to it. If the Company fails to do so, this will not invalidate the resolution.
- (d) The directors may (but are not bound to) require evidence of the authority of any attorney or any authorised officer of a body corporate to sign or consent to a written resolution of shareholders, certified in any manner they think fit.
- (e) If the Company has a sole shareholder, the sole shareholder may pass a written resolution of shareholders.

12. **DIRECTORS - GENERAL**

12.1 **Number**

- (a) The number of directors (excluding alternate directors) is not subject to a maximum and the minimum number is one.
- (b) If there are no continuing directors, any shareholder or (if a secretary has been appointed) the secretary, may call a meeting of shareholders for the purpose of appointing directors by way of resolution of shareholders (but for the avoidance of doubt, for as long as there is one or more director appointed, article 12.3(c) shall apply).

12.2 **No share qualification**

A director need not be a shareholder.

12.3 **Appointment and election**

- (a) No person may be elected or appointed a director, alternate director or reserve director if the person:
 - (i) is disqualified by law from, or would (if already a director) be ineligible under these articles to continue, acting as a director; or
 - (ii) has not consented in writing to act as a director.

- (b) The first directors are to be appointed by the Company's first registered agent.
- (c) At any time, the directors may appoint by a resolution of directors, any person to be a director, either to fill a vacancy or as an additional director, for any term (if any) the directors decide (and for the avoidance of doubt (but subject to article 12.1(b)), the shareholders have no right to appoint a director and for this purpose, section 113(2)(a) (Appointment of directors) of the Act does not apply to the Company).
- (d) Where the directors appoint a person as director to fill a vacancy, the term of appointment must not exceed the term remaining of the director who ceased to hold office.

12.4 **Ceasing to be a director**

- (a) A director ceases to hold office if:
 - (i) the director's term of office expires and the director is not re-elected or reappointed;
 - (ii) the director resigns by written notice to the Company;
 - (iii) the director dies or enters into bankruptcy, liquidation or any similar procedure;
 - (iv) the director becomes of unsound mind or is mentally or physically incapable of acting as a director;
 - (v) the director is prohibited or disqualified by law or under the applicable Listing Rules from being a director;
 - (vi) the director becomes bankrupt or insolvent or makes any arrangement or composition with the director's creditors generally; or
 - (vii) the director is removed from office by a resolution of directors (and, for the avoidance of doubt, the shareholders have no right to remove a director and for this purpose, section 114 (Removal of directors) of the Act does not apply to the Company).
- (b) Where a director resigns, the resignation takes effect from the later of the date:
 - (i) on which the notice of resignation is received at the Company's registered office or the office of the Company's registered agent; and
 - (ii) specified in the notice of resignation.

12.5 **Fees and expenses**

- (a) The directors may be paid for their services as directors any fees they decide by a resolution of directors.
- (b) If a director is requested to perform services, which the directors consider to be beyond the scope of the ordinary duties of a director, the director may be paid any additional remuneration (whether by way of fees, salary, commission, participation in profits or otherwise) the directors decide by a resolution of directors.

- (c) A director may be paid or reimbursed for all expenses properly incurred by the director in carrying out the director's duties.
- (d) The directors may decide by a resolution of directors to provide benefits (whether by paying allowances, gratuities or pensions, by providing any form of insurance or in any other manner) for any director or former director or the relatives, or dependants of, or persons connected to, any director or former director. No director or former director is accountable to the Company for any benefit provided under this article.
- (e) Any fees, additional remuneration, salary, commission, participation in profits, expenses or benefits provided to a director are subject to, and must be in accordance with, the applicable Listing Rules and any other applicable laws of any jurisdiction outside of the British Virgin Islands.

12.6 Alternate directors

- (a) Any director (other than an alternate director) may:
 - (i) appoint any person to be the director's alternate; and
 - (ii) remove the alternate from office at any time.
- (b) An alternate director ceases to hold office if:
 - (i) the alternate's appointor ceases to be a director;
 - (ii) the alternate's appointor removes the alternate;
 - (iii) the alternate resigns; or
 - (iv) an event occurs which, if the alternate were a director, would cause the alternate to vacate that office.
- (c) A director must notify the Company in writing as soon as practicable of any:
 - (i) appointment of an alternate; and
 - (ii) event that results in an alternate ceasing to hold office.

The notice must be sent to the Company's registered office or the office of the Company's registered agent. An appointment or removal of an alternate by the director will only take effect once the notice has been received by the Company.

- (d) An alternate director is:
 - (i) responsible to the Company for the alternate's own acts and defaults; and
 - (ii) not an agent of the alternate's appointor.
- (e) An alternate director is entitled to:
 - (i) receive notice of each meeting of directors and each meeting of any committee of which the alternate's appointor is a member;
 - (ii) act as an alternate for more than one director;

- (iii) attend and vote at any meeting of directors at which the alternate's appointer is not present and exercise all powers and perform all the duties of the alternate's appointer at the meeting;
- (iv) sign or consent to any written resolution of directors if the alternate's appointer is unable to do so for any reason;
- (v) a separate vote for each appointor the alternate represents in addition to any vote the alternate has in the alternate's own right if the alternate is a director;
- (vi) count separately toward the quorum for any meeting (whether of directors or any committee) for each appointor the alternate represents in addition to counting toward the quorum in the alternate's own right if the alternate is a director; and
- (vii) be paid or reimbursed for any expenses properly incurred by the alternate but is not entitled to any fees or other compensation from the Company.

12.7 **Corporate directors**

Any director which is a body corporate may appoint any individual as its properly authorised representative for the purpose of performing its duties as a director.

13. **POWERS OF DIRECTORS**

13.1 **General powers**

- (a) The business and affairs of the Company are to be managed by, or under the direction or supervision of, the directors. The directors have all the powers necessary for managing, directing and supervising, the business and affairs of the Company.
- (b) The directors may exercise all powers of the Company that are not required by the Act, the applicable Listing Rules, the memorandum or these articles to be exercised by the shareholders.
- (c) The shareholders may pass a resolution of shareholders directing the Company to take, or refrain from taking, any action. No resolution of shareholders will invalidate anything done by the directors before the resolution is passed.
- (d) The general powers given by this article are not limited by any special power given to the directors by any other article.

13.2 **Sale of assets**

Section 175 (Disposition of assets) of the Act does not apply to the Company.

13.3 **Borrowing**

The directors may exercise all of the powers of the Company to:

- (a) incur any debt, liability or other obligation (including to give a guarantee, indemnity or other payment obligation in respect of the obligations of any person); and
- (b) create any charge over its assets or undertaking (whether present or future) as security for any debt, liability or other obligation of the Company or any other person.

13.4 **Cheques**

All cheques, promissory notes, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, may be signed, drawn, accepted, endorsed or otherwise executed in any way approved by a resolution of directors.

14. **DELEGATION OF POWERS**

14.1 **Committees**

- (a) The directors may by a resolution of directors:
 - (i) delegate any of their powers to any committee, consisting of one or more directors on any terms they think fit; and
 - (ii) dissolve the committee or vary or revoke any of the committee's powers, but no person dealing in good faith with the Company who does not have notice of the revocation or variation will be affected by it.
- (b) A committee may consist of members who are not directors, however, a majority of the members of the committee must be directors.
- (c) The directors cannot delegate to a committee the power to:
 - (i) amend the memorandum or these articles;
 - (ii) establish a committee other than a sub-committee of it;
 - (iii) delegate powers to another committee other than a sub-committee of it;
 - (iv) appoint or remove a director or agent;
 - (v) approve a plan of merger, consolidation or arrangement;
 - (vi) make a declaration of solvency or approve a liquidation plan; or
 - (vii) make a determination that the Company will, immediately after a proposed distribution, satisfy the solvency test.
- (d) Unless its terms of reference state otherwise, a committee has power to establish a sub-committee and to sub-delegate any of its powers to the sub-committee or any other person.
- (e) When exercising its powers, a committee must adhere to any directions given to it, or limitations imposed on it, by the directors.
- (f) If a committee has more than one member, the provisions in these articles relating to meetings and proceedings of the directors and written resolutions of directors apply to it except to the extent that its terms of reference state otherwise.

14.2 **Nominating Committee**

The Nominating Committee shall be established and operated in accordance with the Nominating Committee Charter.

14.3 **Officers**

- (a) The directors may by a resolution of directors appoint any person to hold any office with the Company (including chairman of directors, chief executive officer, vice-president, secretary and treasurer) on any terms, and for any period, they think fit. A person may hold more than one office at the same time.
- (b) The directors may by a resolution of directors:
 - (i) confer on any officer any of their powers, on any terms and with any restrictions, they think fit; and
 - (ii) revoke, withdraw or vary an officer's powers or remove an officer but:
 - (A) no person dealing in good faith with the Company who does not have notice of the revocation, withdrawal, variation or removal will be affected by it; and
 - (B) any removal of the officer will be without prejudice to any claim for damages for breach of any contract of service between the officer and the Company.
- (c) If an officer's duties are not set out in the resolution of directors appointing the officer, any subsequent resolution of directors or a contract of service between the officer and the Company, it will be the duty of:
 - (i) a chairman of directors to chair meetings of directors and shareholders;
 - (ii) a chief executive officer to manage the day to day affairs of the Company;
 - (iii) a vice-president to:
 - (A) act (or, if there is more than one vice-president, the longest holding office to act) in the absence of the chief executive officer; and
 - (B) perform the duties delegated to the vice-president by the chief executive officer;
 - (iv) a secretary to:
 - (A) maintain (or cause to be maintained) the Company's statutory registers, minute books and other records (other than financial records);
 - (B) perform any duties which these articles state are to be performed by a secretary; and
 - (C) ensure that the memorandum and these articles are complied with and that the Company complies with all procedural requirements imposed on it by applicable law; and
 - (v) a treasurer to be responsible for the financial affairs of the Company.
- (d) An officer may be paid (in addition, if applicable, to any fees as a director) any remuneration (whether by way of salary, commission, participation in profits or otherwise) the directors decide by a resolution of directors.

14.4 **Agents**

- (a) The directors may by a resolution of directors:
 - (i) appoint any person (including a director) to be an agent of the Company;
 - (ii) delegate any of their powers (by power of attorney or in any other way) to an agent of the Company on any terms they think fit; and
 - (iii) remove any agent or vary or revoke any of the agent's powers, but no person dealing in good faith with the agent who does not have notice of the revocation or variation will be affected by it.
- (b) The directors cannot delegate to an agent the power to:
 - (i) amend the memorandum or these articles;
 - (ii) change the Company's registered office or registered agent;
 - (iii) establish a committee;
 - (iv) delegate powers to a committee;
 - (v) appoint or remove any director or agent other than a substitute or sub-delegate;
 - (vi) fix the compensation of any director;
 - (vii) approve a plan of merger, consolidation or arrangement;
 - (viii) make a declaration of solvency or approve a liquidation plan;
 - (ix) make a determination that the Company will, immediately after a proposed distribution, satisfy the solvency test; or
 - (x) authorise the Company to continue as a body corporate incorporated under the laws of a jurisdiction outside of the British Virgin Islands.
- (c) Unless an agent's terms of appointment state otherwise, an agent has power to appoint a substitute or sub-delegate.

15. **INTERESTS OF DIRECTORS**

15.1 **Directors may have interests**

- (a) Subject to the Act or any other applicable legislation, if a director has disclosed the director's interest in accordance with these articles and the applicable Listing Rules, the director may:
 - (i) be a party to, or otherwise interested in, any transaction with the Company or in which the Company is directly or indirectly interested;

- (ii) hold any other office or place of profit with the Company (other than the office of auditor) in addition to the director's office of director on any terms (including as to tenure and remuneration or reward) the directors decide by a resolution of directors;
 - (iii) act for the Company in a professional capacity other than as auditor (either personally or through a partnership, body corporate or other person in which the director is interested) on any terms (including as to remuneration or reward) the directors decide by a resolution of directors; and
 - (iv) be a director or other officer of, or employed by, or a party to any transaction with, or otherwise interested in, any subsidiary of the Company or any body corporate or other person in which the Company is directly or indirectly interested.
- (b) A director is not, by reason of holding office as a director or the fiduciary relationship created by it, accountable to the Company for any remuneration, profit or other benefit derived, or resulting, from any interest permitted by paragraph (a) above.
 - (c) No transaction permitted by paragraph (a) above is liable to be avoided on the grounds that a director has an interest in it or derives any remuneration, profit or other benefit from it.

15.2 **Voting and quorum**

Where a director is interested in a transaction entered into, or to be entered into by, the Company, if the director has disclosed the interest in accordance with these articles, the director may:

- (a) attend, and be included in the quorum for, any meeting of directors at which any matter relating to the transaction is considered;
- (b) vote on any matter relating to the transaction (including by signing or consenting to any written resolution of directors); and
- (c) sign a document on behalf of the Company, or do any other thing in the director's capacity as a director, that relates to the transaction.

15.3 **Declaration of interests**

- (a) Subject to the Act and the applicable Listing Rules, a director must, immediately after becoming aware of the fact that the director is interested in a transaction entered into, or to be entered into, by the Company, disclose the interest to all of the other directors.
- (b) For the purposes of these articles, a disclosure by a director to all of the other directors to the effect that the director is:
 - (i) a shareholder, director, officer or trustee of another body corporate or other person; and
 - (ii) to be regarded as interested in any transaction which may, after the date of disclosure, be entered into with that body corporate or other person,

is sufficient disclosure of the director's interest in that transaction.

16. DIRECTORS' MEETINGS AND WRITTEN RESOLUTIONS

16.1 Calling meetings

A director may, and (if a secretary has been appointed and is requested to do so by a director) the secretary must, call a meeting of directors.

16.2 Time and place

A meeting of directors may be held at any time and any place (whether within or outside the British Virgin Islands) the person calling the meeting decides.

16.3 Length and form of notice

- (a) At least 24 hours' notice of each meeting of directors must be given to each director and alternate director.
- (b) A notice of meeting of directors must indicate:
 - (i) the date, time and place of the meeting;
 - (ii) (if it is anticipated that not all directors will participate in the meeting from the same place) the means by which they will communicate with each other during the meeting; and
 - (iii) the general nature of the business to be conducted.
- (c) Unless the directors decide otherwise by a resolution of directors, notice of a meeting of directors need not be given in writing.

16.4 Waiver and failure to give notice

- (a) A director may (either generally or in any specific case):
 - (i) consent to a meeting of directors being held on short notice; or
 - (ii) waive notice of a meeting of directors either before or after the meeting.
- (b) If a director participates in a meeting of directors, the director is taken to have consented to the meeting being held at short notice or waived notice of the meeting unless the director indicates otherwise in writing before or at the meeting.
- (c) A waiver given after a meeting of directors has been held does not affect the validity of the meeting or of any business conducted at it.
- (d) A meeting of directors will be valid even if the person who calls the meeting inadvertently fails to give notice of the meeting to a director or a director does not receive it.

16.5 Quorum

- (a) A meeting of directors at which a quorum is present may exercise any power of the directors.
- (b) The directors may decide by a resolution of directors the quorum necessary for the conduct of business at a meeting of directors.

- (c) Unless the directors decide otherwise by a resolution of directors, a quorum will be present at a meeting of directors if more than one half of the total number of directors is present. If the Company only has:
 - (i) two directors, a quorum is present if two directors are present; or
 - (ii) a sole director, a quorum is present if the sole director is present.
- (d) For the purposes of this article, an alternate director will count towards the quorum for a meeting of directors in the absence of the alternate's appointor, but where the Company has two or more directors, a quorum will not be present unless at least two individuals are present.

16.6 Chairman

- (a) The directors may elect, and remove, a chairman of directors to hold office for any period they decide by a resolution of directors. The chairman must be a director.
- (b) The chairman is to chair all meetings of directors at which the chairman is present unless the chairman asks another director to chair it. If the directors have not elected a chairman, or the chairman is not present within 15 minutes of the time set for the start of the meeting, the directors present at the meeting must choose from among themselves a chairman for the meeting.

16.7 Voting

A resolution put to a vote at a meeting of directors, will be passed and become a resolution of directors if the necessary number of votes is cast in favour of the resolution.

16.8 Participation by electronic means

- (a) A director is taken to be present at a meeting of directors if:
 - (i) the director participates in the meeting by telephone or other electronic means; and
 - (ii) all directors participating in the meeting are able to hear each other.
- (b) Where one or more directors participate in a meeting of directors by telephone or other electronic means, the meeting is taken to be held at the place where:
 - (i) the chairman of the meeting is located; or
 - (ii) another director participating in the meeting is located if the directors agree to do this.

16.9 Written resolutions of directors

- (a) Any action that may be taken by the directors at a meeting of directors may also be taken by the directors passing a written resolution of directors without the need for any prior notice to be given.
- (b) A written resolution of directors:
 - (i) may consist of several documents (including electronic communications) in substantially the same form; and
 - (ii) must be sent to each director.

- (c) Where a written resolution of directors is passed without all of the directors signing or consenting to it, the Company must send a copy of it to those directors who have not signed or consented to it. If the Company fails to do so, this will not invalidate the resolution.
- (d) If the Company has a sole director, the sole director may pass a written resolution of directors.

16.10 Defects in appointments

All acts done in good faith by a meeting of directors or any committee or by any person acting as a director will be valid and effective, even if it is afterwards discovered that:

- (a) there was a defect in the appointment of any person as a director or member of the committee; or
- (b) any person was disqualified from being a director, had vacated office or was not entitled to vote.

17. INDEMNITY AND INSURANCE

17.1 Indemnity

- (a) Subject to the Act and the applicable Listing Rules, the Company must indemnify any person who:
 - (i) is or was a party, or is threatened to be made a party, to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director or officer of the Company; or
 - (ii) is or was, at the request of the Company, serving as a director or officer of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise,
 against any expenses, judgments, fines or amounts paid in settlement and reasonably incurred in connection with any legal, administrative or investigative proceedings.
- (b) Subject to the Act and the applicable Listing Rules, the Company may, in relation to any person referred to in paragraph (a) above:
 - (i) pay on behalf of the person: or
 - (ii) lend funds to the person to enable the person to pay,
 any expenses incurred, or to be incurred, by the person in defending any legal, administrative or investigative proceedings.

17.2 Insurance

Subject to the Act and the applicable Listing Rules, the Company may purchase and maintain insurance in relation to any person who:

- (a) is or was a director or officer of the Company; or

- (b) at the request of the Company is or was serving as a director or officer of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise,

against any liability asserted against the person and incurred by the person in that capacity.

18. RECORDS, UNDERLYING DOCUMENTATION AND REGISTERS

18.1 Records and underlying documentation

- (a) The Company must keep records and underlying documentation in a form that:
 - (i) are sufficient to show and explain the Company's transactions;
 - (ii) will, at any time, enable the financial position of the Company to be determined with reasonable accuracy; and
 - (iii) complies with the applicable Listing Rules.
- (b) The records and underlying documentation, registers, minutes and resolutions kept by the Company under this article 18 shall be in written form or either wholly or partly as electronic records complying with the requirements of the Electronic Transactions Act.
- (c) The Company must retain its records and underlying documentation for any period specified in the Act or any other applicable legislation, including but not limited to, the applicable Listing Rules.
- (d) Where the Company does not keep any record or underlying documentation at the office of its registered agent, the Company must give its registered agent written notice of:
 - (i) the physical address of the place where the record or underlying documentation is kept;
 - (ii) the name of the person who keeps and controls the record or underlying documentation; and
 - (iii) any change in that physical address or the person within 14 days of the change.

18.2 Registers

- (a) The Company must maintain the following registers in accordance with the Act:
 - (i) the register of shareholders;
 - (ii) a register of directors; and
 - (iii) a register of charges.
- (b) Where the Company does not keep any register referred to in paragraph (a) above at the office of its registered agent, the Company must give its registered agent written notice of:
 - (i) any change in the register within 15 days of the change;
 - (ii) the location at which the register is kept; and
 - (iii) any change in the location at which the register is kept within 14 days of the change.

- (c) Subject to the requirements of the Act, the register of shareholders may be in any such form as the directors may approve, but if it is in electronic form the Company must be able to produce legible evidence of its content and until the directors determine otherwise, the electronic form shall be the original register of shareholders.

18.3 **Minutes and written resolutions**

- (a) The directors must ensure that the following documents (together, **Company Decisions**) are entered in books kept for the purpose:
 - (i) minutes of all meetings of shareholders or any class of shareholders;
 - (ii) all written resolutions of shareholders or any class of shareholders;
 - (iii) minutes of all meetings of directors or any committee; and
 - (iv) all written resolutions of directors or any committee.
- (b) Minutes of any meeting that are signed by the chairman of the meeting, are sufficient evidence of the proceedings at the meeting and the decisions taken at it.
- (c) The Company must keep all Company Decisions at the office of its registered agent or any other place the directors decide by a resolution of directors.
- (d) Where the Company does not keep Company Decisions or any type of Company Decisions at the office of its registered agent, the Company must give its registered agent written notice of:
 - (i) the location(s) at which those Company Decisions are kept; and
 - (ii) any change in the location(s) at which those Company Decisions are kept within 14 days of the change.

18.4 **Registered agent**

Subject to the Act and these articles, the Company must keep the following things at the office of its registered agent:

- (a) the memorandum and these articles;
- (b) the register of shareholders or a copy of it;
- (c) its register of directors or a copy of it;
- (d) its register of charges or a copy of it;
- (e) an imprint of each common seal of the Company;
- (f) a copy of each notice or other document filed by the Company with the registrar in the previous 10 years; and
- (g) each Company Decision or a copy of it.

19. **COMMON SEAL**

19.1 **Common seal**

The Company may have more than one common seal.

19.2 **Authorisation**

- (a) A common seal may only be used with the authorisation of a resolution of directors.
- (b) An authorisation may:
 - (i) be given before or after a common seal is affixed to a document;
 - (ii) be general or specific; and
 - (iii) permit a common seal to be affixed on any number of occasions.

19.3 **Application**

- (a) Except as expressly stated otherwise in these articles, where a common seal is affixed to a document, it must be witnessed by the signature of a director or some other person authorised by a resolution of directors for this purpose.
- (b) The directors may decide by a resolution of directors (either generally or in any specific case) that a facsimile of a common seal or the signature of any witness may be reproduced on any document by some mechanical or other means or by printing. This has the same effect as if the common seal and any signature were originals.

20. **DISTRIBUTIONS**

20.1 **Power of directors**

Subject to the Act, any rights attaching to any class of shares and these articles, the directors may by a resolution of directors:

- (a) authorise a distribution at any time and in any amount they think fit; and
- (b) set a record date (which may be before or after the date on which the resolution of directors is passed) for determining the shareholders entitled to be paid the distribution.

20.2 **Solvency test**

The directors may only authorise a distribution if they are satisfied (on reasonable grounds) that the Company will satisfy the solvency test immediately after the distribution is paid.

20.3 **Apportionment**

Subject to any rights attaching to any class of shares, a distribution is payable on each share in the proportion which the amount paid on the share is to its issue price.

20.4 **Form**

A distribution may be paid in money, shares or other property.

20.5 **Payment**

- (a) A distribution may be paid to a shareholder (or any person nominated by the shareholder) by cheque, electronic funds transfer or any other means approved by a resolution of directors.
- (b) Unless the directors decide otherwise by a resolution of directors, a cheque is to be sent by post at the risk of the shareholder to the address of the shareholder recorded in the register of shareholders or any other address the shareholder notifies the Company for this purpose.
- (c) A distribution will only be paid by electronic funds transfer to an account notified to the Company by the shareholder for this purpose prior to the payment date for the distribution.
- (d) Any payment made under this article will be a good discharge to the Company.

20.6 **Notice**

The directors must notify each shareholder of any distribution authorised by them.

20.7 **No interest**

No interest accrues on any distribution.

20.8 **Treasury shares**

No distribution may be paid on any treasury shares.

20.9 **Deduction of unpaid amounts**

The directors may apply any part of a distribution otherwise payable to a shareholder towards payment of any sum currently payable by the shareholder to the Company in respect of the shareholder's shares whether on account of calls or otherwise.

20.10 **Forfeiture**

If a shareholder fails to claim any distribution for three years after the date on which it was authorised by the directors, the directors may decide by a resolution of directors that the distribution is forfeited for the benefit of the Company.

20.11 **Entitled persons**

This article applies to an entitled person in the same way it applies to a shareholder.

21. **FINANCIAL STATEMENTS AND AUDIT**

21.1 **Financial statements**

- (a) The directors may decide by a resolution of directors to, and must if required to do so by a resolution of shareholders, prepare financial statements for any financial period of the Company.

- (b) All financial statements prepared in accordance with these articles must give a true and fair view of, or be presented fairly in all materials respects so as to show, the Company's:
 - (i) profit or loss for the relevant financial period; and
 - (ii) assets and liabilities at the end of that financial period.

21.2 **Appointment of auditor**

- (a) The auditor from time to time shall be appointed by a resolution of directors,.
- (b) A shareholder may be appointed as auditor, but no director or other officer may be appointed as auditor while in office.

21.3 **Remuneration of auditor**

The remuneration of the auditor is to be fixed by a resolution of directors.

21.4 **Powers of auditor**

The auditor:

- (a) has a right to access the books and records of the Company at all reasonable times; and
- (b) may require the directors and officers of the Company to provide the auditor with any information and explanations the auditor thinks necessary for the performance of the auditor's duties.

22. **COMMUNICATIONS**

22.1 **In writing**

Except for notice of a meeting of directors or a committee, any document or information to be sent or supplied to or by any person in accordance with these articles must be in writing.

22.2 **From the Company**

Any notice, information or written statement to be given by the Company to a shareholder:

- (a) must be in writing and may be given by personal service, registered mail, courier, email or fax to the address of the shareholder recorded in the register of shareholders or any other address or email address as notified by the shareholder to the Company for this purpose; or
- (b) if the Company has a class of shares listed on a Designated Stock Exchange, may be given as permitted by and in accordance with the applicable Listing Rules.

22.3 **To the Company**

- (a) A document or information may only be sent or supplied to the Company in the English language.
- (b) Subject to the Act and these articles, a shareholder may send or supply any document or information to the Company by leaving it at, or by sending it by registered mail to, the Company's registered office or the office of the Company's registered agent.

- (c) A shareholder may send a proxy notice to the Company by way of email, to the email address provided in the relevant shareholder meeting notice.
- (d) The directors may, either generally or in any specific case, agree that a shareholder may send or supply any document or information to the Company:
 - (i) in a language other than English and may require a certified English translation which, in the event of any conflict, will prevail; or
 - (ii) by any other means.

22.4 When received

- (a) For the purposes of this article, a document or information is taken to be received:
 - (i) (if it is supplied in person or left at an address) at the time it is supplied or left;
 - (ii) (if it is sent or supplied by registered mail) 7 days after being deposited in the post, postage prepaid, in a correctly addressed envelope;
 - (iii) (if it is sent or supplied by fax) when the transmission has been successfully completed; and
 - (iv) (if it is sent or supplied by email) when the email has been sent.
- (b) Any shareholder present in person or by proxy at any meeting of shareholders is, for all purposes, regarded as having received due notice of the meeting.

22.5 Notice binding on transferees

Each person who becomes entitled to a share (whether by operation of law, transfer or otherwise) is bound by any notice in respect of the share which, before the person's name is entered in the register of shareholders, was given to the person from whom the person derives title.

22.6 Entitled persons

This article applies to an entitled person in the same way it applies to a shareholder.

23. VOLUNTARY LIQUIDATION

Subject to the Act, the shareholders may decide by a resolution of shareholders, or the directors may decide by a resolution of directors, to appoint a voluntary liquidator in respect of the Company.

24. CONTINUATION

Subject to the Act, the shareholders may decide by a resolution of shareholders, or the directors may decide by a resolution of directors, to continue the Company as a body corporate incorporated under the laws of a jurisdiction outside the British Virgin Islands in the manner provided under those laws.

We, Vistra (BVI) Limited of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign these Articles of Association the 31st day of October, 2023.

Incorporator



(Sd.) Rexella D. Hodge
Authorised Signatory
Vistra (BVI) Limited

Description of the Registrant's Securities
Registered under Section 12 of the Securities Exchange Act of 1934, as Amended (the "Exchange Act")

Class A Ordinary Shares of no par value per share (the "Class A Ordinary Shares"), of Sagtec Global Limited ("we," "our," "our company," or "us") are listed and traded on the Nasdaq Capital Market, and in connection with this listing (but not for trading), its Class A Ordinary Shares are registered under Section 12(b) of the Exchange Act. This exhibit contains a description of the rights of the holders of Class A Ordinary Shares.

Description of Class A Ordinary Shares

The following is a summary of material provisions of our currently effective amended and restated memorandum of association and articles of association (the "Memorandum and Articles of Association"), as well as the BVI Business Companies Act (Revised Edition) 2020 of the British Virgin Islands (the "BVI Companies Act") insofar as they relate to the material terms of our Class A Ordinary Shares. Notwithstanding this, because it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read the entire Memorandum and Articles of Association, which have been filed with the U.S. Securities and Exchange Commission (the "SEC") as exhibits to our annual report on Form 20-F for the financial year ended December 31, 2025.

General

We are authorized to issue an unlimited number of no-par value Class A Ordinary Shares of a single class. All of our issued Class A Ordinary Shares are fully paid and non-assessable. Our Class A Ordinary Shares are issued in registered book-entry form and are issued when registered in our register of members. Unless the board of directors determine otherwise, each holder of our Class A Ordinary Shares will not receive a certificate in respect of such Class A Ordinary Shares. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their Class A Ordinary Shares.

As of the date of this annual report, there are 17,650,000 Class A Ordinary Shares issued and outstanding.

Type of Securities (Item 9.A.5 of Form 20-F)

Each Class A Ordinary Share has no par value. The number of Class A Ordinary Shares that have been issued as of the last day of the financial year ended December 31, 2025 is provided on the cover of the annual report on Form 20-F.

Preemptive Rights (Item 9.A.3 of Form 20-F)

Our Class A Ordinary Shares and Class B Ordinary Shares are not subject to any pre-emptive or similar rights under either British Virgin Islands law or our Memorandum and Articles of Association.

Limitations or Qualifications (Item 9.A.6 of Form 20-F)

Not Applicable.

Rights of Other Types of Securities (Item 9.A.7 of Form 20-F)

Not applicable.

Rights of Class A Ordinary Shares (Item 10.B.3 of Form 20-F)

Class A Ordinary Shares

The Company is authorised to issue an unlimited number of no par value shares of Class A Ordinary Shares and Class B Ordinary Shares. Where the Directors issue a share having no preferred, deferred, redemption or other special rights, it shall be issued as an Class A Ordinary Share and entitle the holder, subject to any other share having any preferred, deferred, redemption or other special rights, to:

- (a) one vote at a meeting of the shareholders or on any resolution of shareholders;
- (b) an equal share in any distribution paid by the Company in accordance with the BVI Companies Act and the articles; and
- (c) an equal share in the distribution of any surplus assets of the Company on its liquidation.

A Class B Ordinary Share shall entitle the holder, subject to any other share having any preferred, deferred, redemption or other special rights, to:

- (a) twenty votes at a meeting of the shareholders or on any resolution of shareholders;
- (b) an equal share in any distribution paid by the Company in accordance with the BVI Companies Act and the articles; and
- (c) an equal share in the distribution of any surplus assets of the Company on its liquidation.

The Company may only issue registered shares. Subject to the Company's Memorandum and Articles of Association, the Company may issue fractions of shares, bonus shares, redeemable shares and may redeem, purchase or otherwise acquire, any of its shares.

Subject to the BVI Companies Act and the Company's Memorandum and Articles of Association, the unissued shares may be issued, and options to acquire shares may be granted, at any time, to any persons (whether or not shareholders), for any consideration and on any terms, the directors decide by a resolution of directors.

A share is taken to be issued when the name of the holder is entered in the Company's register of shareholders as the holder of the share.

Dividends

Subject to the provisions of the BVI Companies Act and our memorandum and articles of association, the directors may declare dividends or distributions out of our funds which are lawfully available for that purpose.

All dividends are subject to certain restrictions under BVI law and the Company's Memorandum and Articles of Association, namely that: (a) all dividends must be authorized by board resolutions, by which our board of directors may authorise a distribution at any time and in any amount they think fit and set a record date (which may be before or after the date on which the board resolutions are passed) for determining the shareholders to be paid; (b) our board of directors may only authorize payment of a dividend if they are satisfied (on reasonable grounds) that the value of the Company's assets exceeds its liabilities and the Company is able to pay its debts as they fall due (the "Solvency Test") immediately paying the dividend; and (c) if, after a dividend is authorized (but before it is paid), our board of directors cease to be satisfied (on reasonable grounds) that the Company will be able to satisfy the Solvency Test after the dividend is paid, then such dividend is deemed not to have been authorized. A distribution made to a shareholder at a time when the Company did not, immediately after the distribution, satisfy the Solvency Test may be recovered by the Company from the member unless (a) the member received the distribution in good faith and without knowledge of the Company's failure to satisfy the Solvency Test; (b) the member has altered his or her position in reliance on the validity of the distribution; and (c) it would be unfair to require repayment in full or at all.

Voting Rights

Subject to the Company's Memorandum and Articles of Association, each Class A Ordinary Share confers on the holder the right to one (1) vote at a meeting of the shareholders or on any resolution of shareholders, and each Class B Ordinary Share confers on the holder the right to twenty (20) votes at a meeting of the shareholders or on any resolution of shareholders.

Subject to the Company's Memorandum and Articles of Association, a resolution put to a vote at a meeting of shareholders or an annual general meeting ("AGM"), will (in most cases) be passed and become a resolution of shareholders if it is passed by a simple majority of the votes cast in respect of the resolution, at a valid meeting of shareholders (or class of shareholders), by shareholders present (in person or by proxy) at the meeting who are entitled to vote on the resolution. Any action that may be taken by the shareholders at a meeting of shareholders (or class of shareholders) may also be taken by the shareholders (or class of shareholders) passing a written resolution of shareholders without the need for any prior notice to be given. A written resolution of shareholders is passed if signed or consented to by shareholders (or shareholders of the relevant class) who hold shares carrying a simple majority of the votes that may be cast in respect of the resolution who are entitled to vote on the resolution.

A fraction of a share confers on the holder the rights, obligations and liabilities of a whole share of the same class corresponding to the fraction other than the right to vote. If the holder of a fraction of a share acquires a further fraction of a share of the same class, the fractions will be treated as being consolidated.

Meetings and Consents of Shareholders

Any director of the Company or the Chairman may call a meeting of shareholders (or a class of shareholders) if they decide to, and must call a meeting of shareholders (or a class of shareholders) if they are requested to do so in writing by shareholders entitled to exercise at least 30% of voting rights in respect of the matter for which the meeting is requested.

The Company shall hold a meeting of the shareholders in accordance with the Company's Memorandum and Articles of Association, the Companies Act and Nasdaq listing rules.

A quorum is present at a meeting of shareholders or an AGM if one or more shareholders, who hold shares that carry not less than one third percent of the voting rights of all shares then in issue, are present in person or by proxy meeting.

Where a quorum is not present within half an hour of the time set for the start of the meeting, if the meeting was called: (i) at the request of shareholders in accordance with the Companies Act or the Company's Memorandum and Articles of Association, it will be dissolved; or (ii) by the directors, the meeting will be adjourned to the following day and be held at the same time and place or any other date, time and/or place the directors decide by a resolution of directors.

The chairman of a meeting of shareholders or an AGM: (i) may, with the consent of the shareholders present (in person or by proxy); and (ii) must, if directed to do so by a resolution of shareholders, adjourn the meeting to another date, time and/or place. In addition, the chairman of the meeting may, at any time without the consent of the shareholders present (in person or by proxy), adjourn the meeting (whether or not it has commenced or a quorum is present) to another date, time and/or place if the chairman considers that it would facilitate the conduct of the business of the meeting to do so. Nothing in the Company's Memorandum and Articles of Association limits any other power vested in the chairman of the meeting to adjourn the meeting. No business may be conducted at any adjourned meeting other than the business which might have been conducted at the meeting from which the adjournment took place.

Appointment and Removal of Directors

The Company shall have a board of Directors consisting of not less than one Director. Directors shall be appointed by approval of a simple majority of the Directors and may be removed by approval of a simple majority of the Directors.

Each Director holds office for the term, if any, fixed by the terms of his appointment or until his earlier death, bankruptcy, insanity, resignation or removal. If no term is fixed on the appointment of a Director, the Director serves indefinitely until his earlier death, bankruptcy, insanity, resignation or removal.

The office of a Director shall be vacated if that Director:

- (i) the director's term of office expires and the director is not re-elected or reappointed;
- (ii) the director resigns by written notice to the Company;
- (iii) the director dies or enters into bankruptcy, liquidation or any similar procedure;
- (iv) the director becomes of unsound mind or is mentally or physically incapable of acting as a director;
- (v) the director is prohibited or disqualified by law or under the applicable Listing Rules from being a director;
- (vi) the director becomes bankrupt or insolvent or makes any arrangement or composition with the director's creditors generally; or
- (vii) the director is removed from office by a resolution of directors (and, for the avoidance of doubt, the shareholders have no right to remove a director and for this purpose, section 114 (Removal of directors) of the BVI Companies Act does not apply to the Company).

Calls on Shares and Liens

Subject to the Memorandum and Articles of Association and the rights attaching to any class of shares, our directors may make calls on a shareholder for any amount of the issue price of the shareholder's shares that has not been paid to the Company. A call must be made by giving at least 14 days' written notice of call to the shareholder. A call may be made payable in instalments. The directors may postpone a call or revoke it (in whole or part). A call is taken to have been made at the time the resolution of directors to make the call is passed.

Unclaimed Dividend

A dividend that remains unclaimed for a period of three years after it became due for payment shall be forfeited to, and shall cease to remain owing by, the company.

Redemption, Purchase and Surrender of Own Shares

Subject to the BVI Companies Act and any rights for the time being conferred on the shareholders holding a particular class of shares, we may:

- (a) issue Shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder on such terms and in such manner as the Directors may, before the issue of such Shares, determine;

The Company must not purchase, redeem or otherwise acquire any shares without the consent of the shareholder concerned unless the Company is permitted to do so without the shareholder's consent by the Companies Act, the Memorandum and Articles of Association and for the avoidance of doubt, shareholder consent is not required for any conversion of shares pursuant to clause 6.3 of the Memorandum and Articles of Association.

Shares that the Company redeems, purchases, accepts by way of surrender or otherwise acquires may;

- (a) be cancelled; or
- (b) be held as Treasury Shares on such terms and in such manner as the Directors determine prior to such acquisition (provided the surrender or acquisition of such Treasury Shares, when aggregated with all other shares of that class, would not result in the Company holding more than 50% of the issued shares of that class).

All rights and obligations attaching to a Treasury Share are suspended and shall not be exercised by the Company while it holds the Share as a Treasury Share. The Company may:

- (a) cancel the Treasury Shares on such terms and in such a manner as the Directors may determine; and
- (b) transfer the Treasury Shares.

Any Share in respect of which notice of redemption has been given shall not be entitled to participate in the profits of the Company in respect of the period after the date specified as the date of redemption in the notice of redemption. The redemption, purchase or surrender of any Share shall not be deemed to give rise to the redemption, purchase or surrender of any other Share. The redemption, purchase or surrender of any Share shall not be deemed to give rise to the redemption, purchase or surrender of any other Share.

Transfer of Shares

Provided that a transfer of Class A Ordinary Shares complies with applicable rules of the Nasdaq, a shareholder may transfer Ordinary Shares to another person by completing an instrument of transfer in a common form or in a form prescribed by Nasdaq or in any other form approved by the directors, executed:

- (a) where the Class A Ordinary Shares are fully paid, by or on behalf of that shareholder; and
- (b) where the Class A Ordinary Shares are unpaid or partly paid or where otherwise required by our directors, by or on behalf of that shareholder and the transferee.

The transferor shall be deemed to remain the holder of an Class A Ordinary Share until the name of the transferee is entered into the register of members of the Company.

Where the Class A Ordinary Shares in question are not listed on or subject to the rules of Nasdaq, our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share for any reason. Where the directors refuse to register the transfer of a share: (a) they must state the reason for their refusal in a resolution of directors; and (b) the Company must, as soon as practicable, send each of the transferor and transferee a notice of refusal.

The Class B Ordinary Shares are not transferrable, and no Class B Ordinary Share may be transferred by a shareholder to any person at any time, save where such transfer is made (i) pursuant to any share surrender, repurchase or redemption or (ii) to a privileged relation (in relation to a holder of Class B Ordinary Shares, his, her or its spouse, children and grandchildren (including step and adopted children and grandchildren) and their legal successors of the holder, a company or other entity over which that holder has control, or a trust set up wholly for the benefit of the holder) or the privileged relations of that holder, in each case in accordance with the Memorandum and Articles of Association.

Where the Company has issued a certificate in respect of a Share proposed to be transferred, the transferor shall lodge, with the instrument of transfer, the original certificate relating to the Share being transferred. The transfer of a Share is effective when the name of the transferee is entered on the Register of Members. Until such time, the transferor shall be deemed to remain a shareholder.

If the Directors are satisfied that an instrument of transfer relating to Shares has been signed but that the instrument has been lost or destroyed, they may, on receipt of such indemnities as they may require:

- (a) accept such evidence of the transfer of Shares as they consider appropriate; and
- (b) proceed to register the transferee's name in the Register of Members.

Automatic conversion of B Shares

Any Class B Ordinary Share that is transferred, assigned, transmitted or otherwise disposed of to a person who is not, immediately prior to such transaction, a holder of a Class B Ordinary Share or a permitted transferee shall automatically convert into a Class A Ordinary Share immediately before the transfer takes effect, without requiring the consent of the Class B Ordinary Share, with such transfer being effective only upon registration in the Company's register of shareholders; provided that the granting of any pledge, charge, encumbrance or other third-party right over a Class B Ordinary Share shall not constitute a transfer unless, and until it is enforced and results in a third party acquiring legal title to the share, in which case the relevant Class B Ordinary Share shall convert to Class A Ordinary Share on a one-for-one basis, and further provided that any Class B Ordinary Share held by a permitted transferee shall similarly and automatically convert into an Class A Ordinary Share on a one-for-one basis, without consent, at the time such holder ceases to qualify as a permitted transferee.

The transfer of Treasury Shares may be for valuable consideration or otherwise, and at a discount to the par value of the Shares.

The registration of transfers may, on not less than 14 days' notice being given by advertisement in one or more newspapers, by electronic means or by any other means, be suspended at such times and for such periods as the Directors may, in their absolute discretion, from time to time determine, provided always that registration shall not be suspended for more than 30 days in any year.

Liquidation Rights

If the Company shall be wound up, and the assets available for distribution amongst the shareholders shall be insufficient to repay the whole of the issued shares, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the shareholders in proportion to the par value of the Shares held by them. If in a winding up the assets available for distribution amongst the shareholders shall be more than sufficient to repay the whole of the issued shares at the commencement of the winding up, the surplus shall be distributed amongst the shareholders in proportion to the par value of the Shares held by them at the commencement of the winding up subject to a deduction from those Shares in respect of which there are monies due, of all monies payable to the Company for unpaid calls or otherwise. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

If the Company shall be wound up the liquidator may, with any sanction required by the Companies Act or the BVI Insolvency Act (Revised Edition) 2020, divide amongst the shareholders in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the shareholders and those liable to contribute to the winding up as the liquidator shall think fit.

Subject to the Companies Act, the Company may by approval of a simple majority approval of its shareholders, or by approval of a simple majority of its Directors, be wound up voluntarily.

Requirements to Change the Rights of Holders of Class A Ordinary Shares (Item 10.B.4 of Form 20-F)

Variation of Rights of Shares

If at any time the Class A Ordinary Shares are divided into different classes, the rights attached to any class may only be varied, whether or not the Company is in liquidation, (i) with the written consent of the holders of the majority of the issued shares of that class or (ii) by a resolution of shareholders of that class. The Company must not purchase, redeem or otherwise acquire any shares without the consent of the shareholder concerned unless the Company is permitted to do so without the shareholder's consent by the Companies Act, the Memorandum and Articles of Association, and for the avoidance of doubt, shareholder consent is not required for any conversion of shares pursuant to clause 6.3 of the Memorandum and Articles of Association.

Limitations on the Rights to Own Class A Ordinary Shares (Item 10.B.6 of Form 20-F)

There are no limitations under the laws of the British Virgin Islands or under the Memorandum and Articles of Association that limit the right of non-resident or foreign owners to hold or vote Class A Ordinary Shares.

Provisions Affecting Any Change of Control (Item 10.B.7 of Form 20-F)***Anti-Takeover Provisions***

Some provisions of our Memorandum and Articles of Association may discourage, delay or prevent a change in control of our company or management that shareholders may consider favorable, including provisions that authorize our board of Directors to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders.

However, under British Virgin Islands law, our Directors may only exercise the rights and powers granted to them under our Memorandum and Articles of Association, as amended and restated from time to time, for what they believe in good faith to be in the best interests of our Company.

Ownership Threshold (Item 10.B.8 of Form 20-F)

There are no limitations imposed by our Memorandum and Articles of Association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our Memorandum and Articles of Association governing the ownership threshold above which shareholder ownership must be disclosed.

Differences Between the Law of Different Jurisdictions (Item 10.B.9 of Form 20-F)

The Companies Act and the laws of the BVI affecting BVI companies and our shareholders differ from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the laws of the BVI applicable to us and the laws applicable to companies incorporated in the state of Delaware.

Mergers and Consolidation

The laws of the BVI, two or more BVI companies may merge or consolidate in accordance with section 170 of the Companies Act. A merger means the merging of two or more constituent companies into one of the constituent companies and a consolidation means the consolidating of two or more constituent companies into a new company. In order to merge or consolidate, then (among other things) the directors of each constituent company must approve a written plan of merger or consolidation, which must be authorized by a resolution of shareholders.

While a director may vote on the plan of merger or consolidation even if he has an interest in the merger or consolidation, the director must disclose the interest to all other directors of the company promptly upon becoming aware of the fact that he is interested in the merger or consolidation.

A transaction entered into by our company in respect of which a director is interested (including a merger or consolidation) is voidable by us unless the director's interest was (a) disclosed to the board prior to the transaction or (b) the transaction is (i) between the director and the company and (ii) the transaction is in the ordinary course of the company's business and on usual terms and conditions.

Notwithstanding the above, a transaction entered into by the company is not voidable if the material facts of the interest are known to the shareholders and they approve or ratify it or the company received fair value for the transaction.

Shareholders not otherwise entitled to vote on the merger or consolidation may still acquire the right to vote if the plan of merger or consolidation contains any provision which, if proposed as an amendment to the Memorandum and Articles of Association, would entitle them to vote as a class or series on the proposed amendment. In any event, all shareholders must be given a copy of the plan of merger or consolidation irrespective of whether they are entitled to vote at the meeting held to approve the plan of merger or consolidation.

The shareholders of the constituent companies are not required to receive shares of the surviving or consolidated company but may receive debt obligations or other securities of the surviving or consolidated company, other assets, or a combination thereof. Further, some or all of the shares of a class or series may be converted into a kind of asset while the other shares of the same class or series may receive a different kind of asset. As such, not all the shares of a class or series must receive the same kind of consideration.

After the plan of merger or consolidation has been approved by the directors and authorized by a resolution of the shareholders, articles of merger or consolidation are executed by each company and filed with the Registrar of Corporate Affairs in the BVI.

A shareholder may dissent from a mandatory redemption of his shares, an arrangement (if permitted by the court), a merger (unless the shareholder was a shareholder of the surviving company prior to the merger and continues to hold the same or similar shares after the merger) or a consolidation. A shareholder properly exercising his dissent rights is entitled to a cash payment equal to the fair value of his shares.

A shareholder dissenting from a merger or consolidation must object in writing to the merger or consolidation before the vote by the shareholders on the merger or consolidation, unless notice of the meeting was not given to the shareholder. If the merger or consolidation is approved by the shareholders, the company must give notice of this fact to each shareholder who gave written objection within 20 days. These shareholders then have 20 days to give to the company their written election in the form specified by the Companies Act to dissent from the merger or consolidation, provided that in the case of a merger, the 20 days starts when the plan of merger is delivered to the shareholder.

Upon giving notice of his election to dissent, a shareholder ceases to have any of the rights of a shareholder except the right to be paid the fair value of his shares. As such, the merger or consolidation may proceed in the ordinary course notwithstanding his dissent.

Within seven days of the later of the delivery of the notice of election to dissent and the effective date of the merger or consolidation, the surviving or consolidated company must make a written offer to each dissenting shareholder to purchase his shares at a specified price per share that the company determines to be the fair value of the shares. The company and the shareholder then have 30 days to agree upon the price. If the company and a shareholder fail to agree on the price within the 30 days, then the company and the shareholder shall, within 20 days immediately following the expiration of the 30-day period, each designate an appraiser and these two appraisers shall designate a third appraiser. These three appraisers shall fix the fair value of the shares as of the close of business on the day prior to the shareholders' approval of the transaction without taking into account any change in value as a result of the transaction.

Shareholders' Suits

There are both statutory and common law remedies available to our shareholders as a matter of British Virgin Islands law. These are summarized below:

Unfair prejudice

A shareholder who considers that the affairs of the company have been, are being, or are likely to be, conducted in a manner that is, or any act or acts of the company have been, or are, likely to be oppressive, unfairly discriminatory or unfairly prejudicial to the shareholder in that capacity, can apply to the BVI High Court under Section 184I of the Companies Act for an order requiring the company or any other person to acquire the shareholder's shares or pay compensation to the shareholder, regulating the future conduct of the company's affairs, amending the memorandum or articles of the company, appointing a receiver or liquidator of the company, rectifying the records of the company, or that any decision or action of the company which contravenes the Companies Act or the company's Memorandum and Articles of Association be set aside.

Derivative actions

Section 184C of the Companies Act provides that a shareholder of a company may, with the leave of the BVI High Court, bring an action in the name of the company to redress any wrong done to it.

Just and equitable winding up

In addition to the statutory remedies outlined above, shareholders can also petition for the winding up of a company on the grounds that it is just and equitable for the court to so order. This statutory remedy is usually granted in exceptional circumstances and is only available where the company has been operated as a quasi-partnership and trust and confidence between the partners has broken down.

Indemnification of Directors and Executive Officers and Limitation of Liability

British Virgin Islands law does not limit the extent to which a company's Memorandum and Articles of Association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the British Virgin Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime.

Under the Company's Memorandum and Articles of Association, subject to the Companies Act, the Company must indemnify any person who; (i) is or was a party, or is threatened to be made a party, to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director or officer of the Company; or (ii) is or was, at the request of the Company, serving as a director or officer of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise, against any expenses, judgments, fines or amounts paid in settlement and reasonably incurred in connection with any legal, administrative or investigative proceedings.

In relation to the above, the Company may pay on behalf of the person or lend funds to the person to enable the person to pay, any expenses incurred, or to be incurred, by the person in defending any legal, administrative or investigative proceedings.

This standard of conduct is generally the same as permitted under the Delaware General Corporation Act for a Delaware corporation. In addition, the service agreements of our Directors and senior Executive Officers with the Company provide such person's additional indemnification beyond that provided in our Articles of Association.

Under the Companies Act to be entitled to this indemnification, such person must have acted honestly and in good faith with a view to the best interests of our company and, in the case of criminal proceedings, they must have no reasonable cause to believe their conduct was unlawful.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our Directors, officers or persons controlling us under the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Anti-Takeover Provisions in our Memorandum and Articles of Association

Some provisions of our Memorandum and Articles of Association may discourage, delay or prevent a change in control of our company or management that shareholders may consider favorable, including provisions that authorize our board of Directors to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders.

However, under British Virgin Islands law, our Directors may only exercise the rights and powers granted to them under our Memorandum and Articles of Association, as amended and restated from time to time, for what they believe in good faith to be in the best interests of our Company.

Directors' Fiduciary Duties

Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he or she reasonably believes to be in the best interests of the corporation. He or she must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

Under British Virgin Islands law, our directors owe the company certain statutory and fiduciary duties including, among others, a duty to act honestly, in good faith, for a proper purpose and with a view to what the directors believe to be in the best interests of the company. Our directors are also required, when exercising powers or performing duties as a director, to exercise the care, diligence, and skill that a reasonable director would exercise in the same circumstances, taking into account without limitation, the nature of the company, the nature of the decision and the position of the director and the nature of the responsibilities undertaken. In the exercise of their powers, our directors must ensure neither they nor the company acts in a manner which contravenes the Companies Act or our Memorandum and Articles of Association, as amended and restated from time to time. A shareholder has the right to seek damages for breaches of duties owed to us by our directors.

Interested transactions

A director may vote, attend a board meeting and be included for the purposes of a quorum, sign a document on behalf of the Company, or do any other thing in their capacity as a director with respect to any transaction in which that director is interested. A director must immediately disclose the interest to all other directors after becoming aware of the fact that they are interested in a transaction entered into or to be entered into by the Company. Subject to compliance with the Companies Act, a director shall not, by reason of that director's office, be accountable to the Company for any remuneration, profit or other benefit derived, or resulting, from derived from such transaction and no such transaction shall be liable to be avoided on the grounds that a director has an interest in it or derives any remuneration, profit or other benefit from it.

A disclosure is only made when it is brought to the attention of every director. The disclosure by a director that they are a member, director, officer or trustee of another named entity or other individual, or has a fiduciary relationship with respect to the entity or individual, and is to be regarded as interested in any transaction which may, after the date of the entry or disclosure of interest, be entered into with the Company or that director, is a sufficient disclosure of interest in relation to that transaction.

Directors and officers

Unless the shareholders decide otherwise by a resolution of shareholders, the number of directors is not subject to a maximum number but the minimum number of directors shall be one. The first directors were appointed by the Company's first BVI registered agent. Subject to the Company's Memorandum and Articles of Association and the Companies Act, our directors may by a resolution of directors: (i) appoint any person to hold any office with the Company (including chairperson of directors, chief executive officer, vice president, secretary and treasurer) on any terms, and for any period, they think fit (a person may hold more than one office at the same time) and for the avoidance of doubt, the shareholders have no right to appoint a director and for this purpose, section 113(2)(a) (Appointment of directors) of the Companies Act does not apply to the Company; (ii) delegate any of their powers to any committee, consisting of one or more directors on any terms they think fit; and/or (iii) appoint any person (including a director) to be an agent of the Company and delegate their powers to that agent on any terms they think fit.

The directors cannot delegate to a committee or agent the power to: (i) amend the memorandum and articles of association of the Company; (ii) designate committees of directors other than a sub-committee of it; (iii) delegate powers to a committee of directors other than a sub-committee of it; (iv) appoint or remove a director or agent; (v) approve a plan of merger, consolidation or arrangement; (vi) make a declaration of solvency or approve a liquidation plan; or (vii) make a determination that the Company will, immediately after a proposed distribution, satisfy the Solvency Test.

Proceedings of directors

A director may, and (if a secretary has been appointed) the secretary must, call a meeting of directors. At least 24 hours' notice of each meeting of directors must be given. A meeting of directors will be valid even if the person who calls the meeting inadvertently fails to give notice to a director or a director fails to receive it.

Unless the directors decide otherwise by resolution of directors, a quorum will be present at a meeting of directors if not less than one half of the total number of directors is present. If the Company only has two directors, a quorum is present if two directors are present. If the Company only has a sole director, a quorum is present if the sole director is present.

A resolution put to a vote at a meeting of directors, will be passed and become a resolution of directors if passed by a simple majority of the votes cast in respect of the resolution, at a valid meeting of directors or a committee, by directors or members of the committee (or their alternates) present at the meeting who are entitled to vote.

Any action that may be taken by our directors at a meeting of directors may also be taken by our directors passing a written resolution of directors without the need for any prior notice to be given. A written resolution of directors is passed if signed or consented to (including by way of fax or email) by a majority of directors or members of a committee (or their alternates) who are entitled to vote. Where a written resolution of directors is passed without all of our directors signing or consenting to it, the Company must send a copy of it to those directors who have not signed or consented to it. If the Company fails to do so, this will not invalidate the resolution. If the Company has a sole director, the sole director may pass a written resolution of directors.

Terms of directors and officers

At any time, the Company's directors may appoint by a resolution of directors any person to be a director, either to fill a vacancy or as an additional director, for any term (if any) the directors decide. Where the directors appoint a person as director to fill a vacancy, the term of appointment must not exceed the term remaining of the director who ceased to hold office.

Shareholder Action by Written Consent

British Virgin Islands law provides that, subject to the memorandum and articles of association of a company, an action that may be taken by the shareholders at a meeting may also be taken by a resolution of shareholders consented to in writing or by telex, telegram, cable or other written electronic communication, without the need for any notice.

Our Memorandum and Articles of Association provide that a written resolution of shareholders: (i) may consist of several documents (including electronic communications) in substantially the same form; (ii) may be signed or consented to by the relevant shareholder or the shareholder's attorney or (in the case of a body corporate) a properly authorized officer or attorney; and (iii) must be sent to each shareholder who would be entitled to attend a meeting of shareholders and vote on the resolution.

Our Memorandum and Articles of Association permit shareholders to act by written consent (passed by the consent in writing of a simple majority of the votes of the Shares entitled to vote thereon) but provide that if a resolution of shareholders is approved otherwise than by unanimous written consent of all shareholders, a copy of the resolution must immediately be sent to each non-consenting shareholder.

Under the Delaware General Corporation Act, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. Our Articles of Association provide that any action required or permitted to be taken at general meetings of the Company may only be taken upon the vote of shareholders at general meeting and shareholders may not approve corporate matters by way of a unanimous written resolution without a meeting being held.

Shareholder Proposals

Under the Delaware General Corporation Act, a shareholder has the right to put any proposal before any annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors, or any other person authorized to do so in the Company's Memorandum and Articles of Association, but shareholders may be precluded from calling special meetings.

The Companies Act and Memorandum and Articles of Association provide that our board of directors must convene a meeting of shareholders upon the written request of shareholders entitled to exercise 30% or more of the voting rights. We are not obliged under the Companies Act or any other law of the BVI to call shareholders' annual general meetings, but our Memorandum and Articles of Association provide for an annual general meeting to be called in accordance with the requirements of the relevant listing rules, Memorandum and Articles of Association and the Companies Act. The location of any shareholders' meeting can be determined by the board of directors and can be held anywhere in the world.

Cumulative Voting

Under the Delaware General Corporation Act, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. As permitted under British Virgin Islands law, our Articles of Association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors (or otherwise ceasing to hold office)

A director ceases to hold office if: (i) the director's term of office expires and the director is not re-elected or reappointed; (ii) the director resigns by written notice to the Company; (iii) the director dies or enters into bankruptcy, liquidation or any similar procedure; (iv) the director dies or enters into bankruptcy, liquidation or any similar procedure; (v) the director is prohibited or disqualified by law or under Nasdaq Listing Rules from being a director; (vi) the director becomes bankrupt or insolvent or makes any arrangement or composition with the director's creditors generally; or (vii) the director is removed from office by a resolution of directors (and for the avoidance of doubt, the shareholders have no right to remove a director and, for this purpose, section 114 (Removal of directors) of the Companies Act does not apply to the Company).

A director may be removed from office with cause, by a simple majority decision of the directors passed at a meeting of directors called for the purpose of removing the director (or for purposes including the removal of the director).

Where a director resigns, the resignation takes effect from the later of the date: (i) on which the notice of resignation is received at the Company's registered office or the office of the Company's registered agent; and (ii) specified in the notice of resignation.

Under the Delaware General Corporation Act, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise.

Transactions with Interested Shareholders

The Delaware General Corporation Act contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting shares within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware public corporation to negotiate the terms of any acquisition transaction with the target's board of directors. British Virgin Islands law has no comparable statute.

Dissolution; Winding Up

Under the Delaware General Corporation Act, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board. Under British Virgin Islands law, a company may be wound up by either an order of the courts of the British Virgin Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by approval of a simple majority of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Under the Companies Act and our Memorandum and Articles of Association, we may appoint a voluntary liquidator by a resolution of shareholders or (subject to section 199(2) of the Companies Act) a resolution of directors.

Variation of Rights of Shares

Under the Delaware General Corporation Act, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under British Virgin Islands law and our Memorandum of Association, if our authorized shares are divided into more than one class of shares, we may vary the rights attached to any class only with the consent in writing of or by a resolution passed at a meeting by the holders of a majority of the issued Shares in that class or by a resolution of shareholders of that class.

Amendment of Governing Documents

Under the Delaware General Corporation Act, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. As permitted by British Virgin Islands law, our Memorandum and Articles of Association may be amended by a resolution of shareholders and, subject to certain exceptions, by a resolution of directors. Any amendment is effective from the date it is registered at the BVI Registry of Corporate Affairs (signified by the stamping of the amendment by the BVI Registrar of Corporate Affairs).

Rights of Non-Resident or Foreign Shareholders

There are no limitations imposed by our Memorandum and Articles of Association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our Memorandum and Articles of Association governing the ownership threshold above which shareholder ownership must be disclosed.

Directors' Power to Issue Shares

Subject to applicable law, our board of Directors is empowered to issue or allot shares or grant options and warrants with or without preferred, deferred, qualified or other special rights or restrictions.

Changes in Capital (Item 10.B.10 of Form 20-F)

Not applicable.

Debt Securities (Item 12.A of Form 20-F)

Not applicable.

Warrants and Rights (Item 12.B of Form 20-F)

Not applicable.

Other Securities (Item 12.C of Form 20-F)

Not applicable.

Description of American Depositary Shares (Items 12.D.1 and 12.D.2 of Form 20-F)

Not applicable.

**Certification by the Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Ng Chen Lok, Chief Executive Officer of Sagtec Global Limited (the “Company”), certify that:

1. I have reviewed this annual report on Form 20-F of the Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the Company and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: April 29, 2026

By: /s/ Ng Chen Lok

Name: Ng Chen Lok

Title: Chief Executive Officer, Executive Director
and Chairman of the Board

**Certification by the Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Zuria Hajar Bt Mohd Adnan, Chief Financial Officer of Sagtec Global Limited (the "Company"), certify that:

1. I have reviewed this annual report on Form 20-F of the Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15I and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the Company and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 29, 2026

By: /s/ Zuria Hajar Bt Mohd Adnan

Name: Zuria Hajar Bt Mohd Adnan

Title: Chief Financial Officer and Executive Director

**Certification by the Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

I, Ng Chen Lok, Chief Executive Officer of Sagtec Global Limited (the “Company”), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- a. the Company’s annual report on Form 20-F for the fiscal year ended December 31, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- b. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: April 29, 2026

By: /s/ Ng Chen Lok

Name: Ng Chen Lok

Title: Chief Executive Officer, Executive Director
and Chairman of the Board

**Certification by the Principal Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

I, Zuria Hajar Bt Mohd Adnan, Chief Financial Officer of Sagtec Global Limited (the “Company”), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- a. the Company’s annual report on Form 20-F for the fiscal year ended December 31, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- b. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: April 29, 2026

By: /s/ Zuria Hajar Bt Mohd Adnan

Name: Zuria Hajar Bt Mohd Adnan

Title: Chief Financial Officer and Executive Director

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (File No. 333-293073) under the Securities Act of 1933 of our report dated April 29, 2026, with respect to the consolidated statements of financial position as of Sagtec Global Limited (collectively referred to as the “Company”) as of December 31, 2025 and 2024, the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended December 31, 2025, appearing in this annual report on Form 20-F.

/s/ Onestop Assurance PAC

Onestop Assurance PAC

Singapore

April 29, 2026