

## 12. ACCOUNTANTS' REPORT



**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants  
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1 December 2025

The Board of Directors  
**Stratus Global Holdings Berhad**  
Plot 73-C, Lintang Bayan Lepas  
Bayan Lepas Industrial Park, Phase 4  
11900 Bayan Lepas  
Penang, Malaysia

Dear Sirs,

### **REPORTING ACCOUNTANTS' OPINION ON THE FINANCIAL INFORMATION CONTAINED IN THE ACCOUNTANTS' REPORT OF STRATUS GLOBAL HOLDINGS BERHAD ("STRATUS GLOBAL" OR "THE COMPANY")**

#### **Opinion**

We have audited the financial information of Stratus Global and its subsidiaries ("the Group"), which comprise the consolidated statements of financial position as at 31 March 2023, 31 March 2024 and 31 March 2025 and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for each of the financial years ended 31 March 2023, 31 March 2024 and 31 March 2025, and notes to the consolidated financial statements, including material accounting policy information, as set out on pages 4 to 33.

This historical financial information has been prepared for inclusion in the prospectus of Stratus Global in connection with the listing of and quotation for the entire issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad ("the Prospectus"). This report is required by the Prospectus Guidelines issued by the Securities Commission Malaysia ("the Guidelines") and is given for the purpose of complying with the Guidelines and for no other purposes.

In our opinion, the financial information gives a true and fair view of the financial position of the Group as at 31 March 2023, 31 March 2024 and 31 March 2025 and of their financial performance and their cash flows for each of the financial years ended 31 March 2023, 31 March 2024 and 31 March 2025 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### **Basis for opinion**

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Reporting Accountants' Responsibilities for the Audit of the financial information section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**12. ACCOUNTANTS' REPORT (CONT'D)*****Independence and other ethical responsibilities***

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

**Directors' responsibility for the financial information**

The directors of Stratus Global are responsible for the preparation of the consolidated financial information of the Group that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial information of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the financial information of the Group, the directors of Stratus Global are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Reporting accountants' responsibility for the audit of financial information**

Our objectives are to obtain reasonable assurance about whether the financial information of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial information.

As a part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## 12. ACCOUNTANTS' REPORT (CONT'D)



### Reporting accountants' responsibility for the audit of financial information (cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial information of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information of the Group, including the disclosures, and whether the financial information of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to express opinion on the financial information of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Restriction on distribution and use

This report is made solely to the Group for inclusion in the Prospectus to be issued in relation to the listing of and quotation for the entire issued share capital of Stratus Global on the Main Market of Bursa Malaysia Securities Berhad. As such, this report should not be used for any other purpose without our prior written consent. We do not assume responsibility to any other person for the content of this report.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants  
Penang

**Eddy Chan Wai Hun**  
02182/10/2027 J  
Chartered Accountant

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

|                                |             | <b>31 March<br/>2023</b> | <b>31 March<br/>2024</b> | <b>31 March<br/>2025</b> |
|--------------------------------|-------------|--------------------------|--------------------------|--------------------------|
|                                | <b>Note</b> | <b>RM'000</b>            | <b>RM'000</b>            | <b>RM'000</b>            |
| <b>Non-current assets</b>      |             |                          |                          |                          |
| Property, plant and equipment  | 4           | 23,927                   | 26,486                   | 24,379                   |
| Right-of use assets            | 5           | 14,010                   | 13,742                   | 13,155                   |
| Intangible assets              | 6           | 1,345                    | 795                      | 0                        |
| Deferred tax assets            | 7           | 0                        | 1                        | 2                        |
|                                |             | <u>39,282</u>            | <u>41,024</u>            | <u>37,536</u>            |
| <b>Current assets</b>          |             |                          |                          |                          |
| Inventories                    | 8           | 23,577                   | 26,397                   | 21,567                   |
| Contract assets                | 9           | 0                        | 21                       | 0                        |
| Receivables                    | 10          | 45,914                   | 57,894                   | 84,147                   |
| Prepayments                    |             | 1,378                    | 3,743                    | 2,762                    |
| Current tax assets             |             | 116                      | 9,807                    | 3,588                    |
| Cash and cash equivalents      | 11          | 33,273                   | 47,983                   | 60,317                   |
|                                |             | <u>104,258</u>           | <u>145,845</u>           | <u>172,381</u>           |
| <b>Current liabilities</b>     |             |                          |                          |                          |
| Payables                       | 12          | 16,135                   | 17,180                   | 10,523                   |
| Lease liabilities              | 13          | 282                      | 373                      | 279                      |
| Contract liabilities           | 9           | 1,898                    | 21,207                   | 7,013                    |
| Current tax liabilities        |             | 2,492                    | 60                       | 19                       |
|                                |             | <u>20,807</u>            | <u>38,820</u>            | <u>17,834</u>            |
| <b>Net current assets</b>      |             | <b>83,451</b>            | <b>107,025</b>           | <b>154,547</b>           |
| <b>Non-current liabilities</b> |             |                          |                          |                          |
| Deferred tax liabilities       | 7           | 391                      | 551                      | 406                      |
| Lease liabilities              | 13          | 65                       | 135                      | 59                       |
|                                |             | <u>456</u>               | <u>686</u>               | <u>465</u>               |
| <b>Net assets</b>              |             | <b>122,277</b>           | <b>147,363</b>           | <b>191,618</b>           |
| <b>Equity</b>                  |             |                          |                          |                          |
| Invested capital               | 14          | 4,469                    | 4,469                    | 4,469                    |
| Currency translation reserve   |             | 708                      | 1,318                    | 637                      |
| Retained profits               |             | 117,100                  | 141,576                  | 186,512                  |
| <b>Total equity</b>            |             | <b>122,277</b>           | <b>147,363</b>           | <b>191,618</b>           |



**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

|  | Note | Year ended<br>31 March<br>2023<br>RM'000 | Year ended<br>31 March<br>2024<br>RM'000 | Year ended<br>31 March<br>2025<br>RM'000 |
|--|------|--|--|--|
| Revenue  | 15   | 145,916                                  | 158,877                                  | 220,275                                  |
| Cost of goods sold   |      | (71,407)                                 | (105,348)                                | (102,105)                                |
| Gross profit   |      | 74,509                                   | 53,529                                   | 118,170                                  |
| Other income   |      | 4,861                                    | 7,022                                    | 2,918                                    |
| Administrative and general expenses                                  |      | (21,086)                                 | (27,691)                                 | (32,345)                                 |
| Selling and distribution expenses                                    |      | (533)                                    | (559)                                    | (433)                                    |
| Finance costs  |      | (147)                                    | (37)                                     | (23)                                     |
| Profit before tax  | 16   | 57,604                                   | 32,264                                   | 88,287                                   |
| Tax expense  | 17   | (14,738)                                 | (3,319)                                  | (22,125)                                 |
| Profit for the financial year  |      | 42,866                                   | 28,945                                   | 66,162                                   |
| Other comprehensive income:  |      |  |  |  |
| <i>Item that may be reclassified subsequently to profit or loss:</i> |      |  |  |  |
| - Currency translation differences for foreign operations            |      | 396                                      | 610                                      | (681)                                    |
| Other comprehensive income for the financial year                    |      | 396                                      | 610                                      | (681)                                    |
| Comprehensive income for the financial year                          |      | 43,262                                   | 29,555                                   | 65,481                                   |
| Basic earnings per share (RM)  | 18   | 9.59                                     | 6.48                                     | 14.81                                    |

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

|  | Invested<br>capital<br>RM'000 | Non-<br>distributable<br>Currency<br>translation<br>reserve<br>RM'000 | Distributable<br>Retained<br>profits<br>RM'000 | Total<br>equity<br>RM'000 |
|--|-------------------------------|---|--|---------------------------|
| Balance at 1 April 2022  | 4,469                         | 312   | 74,234   | 79,015                    |
| Profit for the financial year  | 0                             | 0   | 42,866   | 42,866                    |
| Currency translation differences for foreign operations (representing other comprehensive income for the financial year) | 0                             | 396   | 0  | 396                       |
| Comprehensive income for the financial year  | 0                             | 396   | 42,866   | 43,262                    |
| Balance at 31 March 2023   | 4,469                         | 708   | 117,100  | 122,277                   |
| Dividends (representing total transactions with owners) (Note 19)  | 0                             | 0   | (4,469)  | (4,469)                   |
| Profit for the financial year  | 0                             | 0   | 28,945   | 28,945                    |
| Currency translation differences for foreign operations (representing other comprehensive income for the financial year) | 0                             | 610   | 0  | 610                       |
| Comprehensive income for the financial year  | 0                             | 610   | 28,945   | 29,555                    |
| Balance at 31 March 2024   | 4,469                         | 1,318   | 141,576  | 147,363                   |
| Dividends (representing total transactions with owners) (Note 19)  | 0                             | 0   | (21,226)                                       | (21,226)                  |
| Profit for the financial year  | 0                             | 0   | 66,162   | 66,162                    |
| Currency translation differences for foreign operations (representing other comprehensive income for the financial year) | 0                             | (681)   | 0  | (681)                     |
| Comprehensive income for the financial year  | 0                             | (681)   | 66,162   | 65,481                    |
| Balance at 31 March 2025   | 4,469                         | 637   | 186,512  | 191,618                   |

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****CONSOLIDATED STATEMENTS OF CASH FLOWS**

|   |      | Year ended<br>31 March<br>2023<br>RM'000 | Year ended<br>31 March<br>2024<br>RM'000 | Year ended<br>31 March<br>2025<br>RM'000 |
|---|------|--|--|--|
|   | Note |  |  |  |
| <b>Cash flows from operating activities</b>             |      |  |  |  |
| Profit before tax                                       |      | 57,604                                   | 32,264                                   | 88,287                                   |
| Adjustments for:  |      |  |  |  |
| Amortisation and Depreciation                           |      | 2,752                                    | 3,810                                    | 4,159                                    |
| Fair value gains on financial instruments               |      | (22)                                     | 0  | 0  |
| Gain on disposal of property, plant and equipment       |      | 0  | (70)                                     | 0  |
| Interest expense  |      | 147                                      | 37                                       | 23                                       |
| Interest income   |      | (782)                                    | (1,532)                                  | (2,344)                                  |
| Inventories written down                                |      | 0  | 0  | 1,216                                    |
| Loss on disposal of subsidiary                          |      | 0  | 0  | 4  |
| Property, plant and equipment written off               |      | 17                                       | 0  | 17                                       |
| Unrealised loss on foreign exchange                     |      | 601                                      | 167                                      | 282                                      |
| Operating profit before working capital changes         |      | 60,317                                   | 34,676                                   | 91,644                                   |
| Changes in:   |      |  |  |  |
| Inventories   |      | (16,239)                                 | (2,820)                                  | 3,616                                    |
| Receivables   |      | 1,888                                    | (12,224)                                 | (26,401)                                 |
| Derivatives   |      | 9  | (21)                                     | 21                                       |
| Prepayments   |      | (324)                                    | (2,365)                                  | 981                                      |
| Payables  |      | 8,853                                    | 1,059                                    | (6,701)                                  |
| Contract liabilities                                    |      | (23,733)                                 | 19,309                                   | (14,194)                                 |
| Cash generated from operations                          |      | 30,771                                   | 37,614                                   | 48,966                                   |
| Interest and fund distributions received                |      | 804                                      | 1,532                                    | 2,344                                    |
| Tax paid  |      | (12,224)                                 | (15,678)                                 | (16,093)                                 |
| Tax refunded  |      | 0  | 411                                      | 54                                       |
| Net cash from operating activities                      |      | 19,351                                   | 23,879                                   | 35,271                                   |
| <b>Cash flows from investing activities</b>             |      |  |  |  |
| Acquisition of property, plant and equipment            |      | (10,765)                                 | (4,764)                                  | (579)                                    |
| Disposal of subsidiary, net of cash disposed of         | 20   | 0  | 0  | (26)                                     |
| Proceeds from disposal of property, plant and equipment |      | 0  | 70                                       | 0  |
| Net cash used in investing activities                   |      | (10,765)                                 | (4,694)                                  | (605)                                    |
| <b>Cash flows from financing activities</b>             |      |  |  |  |
| Dividend paid   |      | 0  | (4,469)                                  | (21,226)                                 |
| Interest paid   |      | (147)                                    | (37)                                     | (23)                                     |
| Payment of lease liabilities                            | 20   | (220)                                    | (436)                                    | (466)                                    |
| Withdrawal of term deposits pledged as security         |      | 2,123                                    | 0  | 0  |
| Net cash from/(used in) financing activities            |      | 1,756                                    | (4,942)                                  | (21,715)                                 |
| Currency translation differences                        |      | (536)                                    | 467                                      | (617)                                    |
| Net increase in cash and cash equivalents               |      | 9,806                                    | 14,710                                   | 12,334                                   |
| Cash and cash equivalents brought forward               |      | 23,467                                   | 33,273                                   | 47,983                                   |
| Cash and cash equivalents carried forward               | 11   | 33,273                                   | 47,983                                   | 60,317                                   |

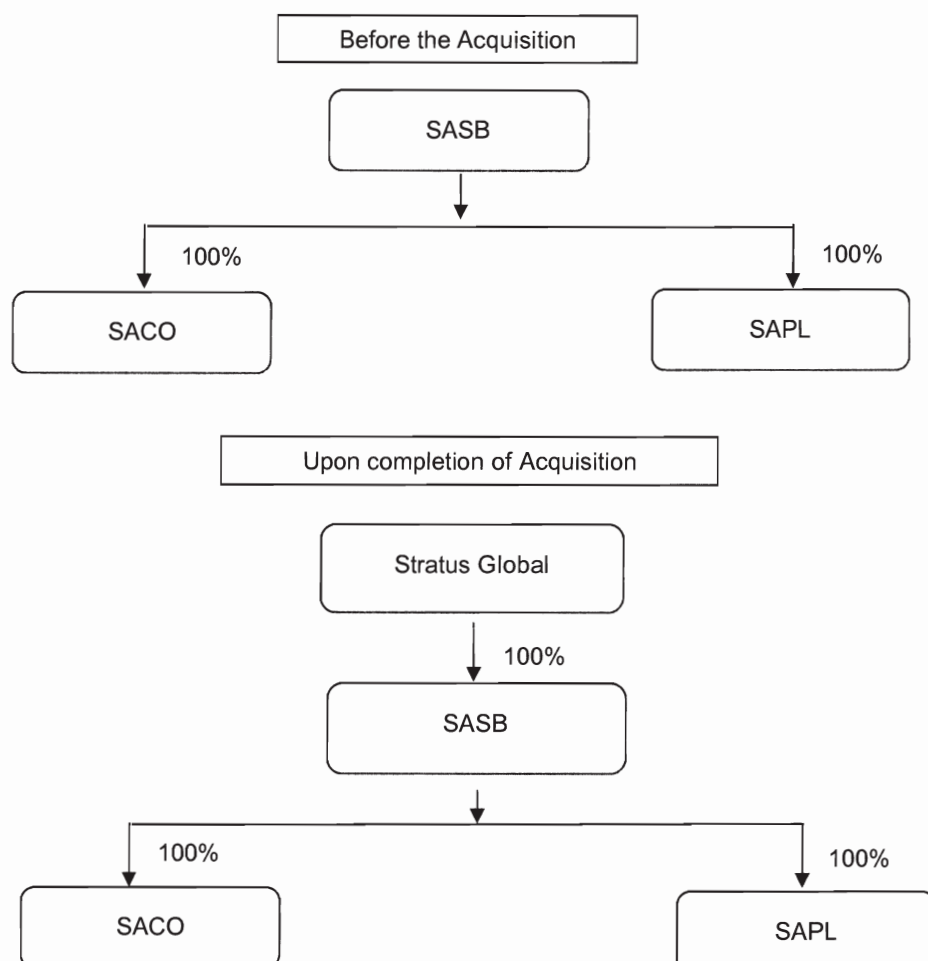
**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****1. General information**

Stratus Global Holdings Berhad ("Stratus Global") was incorporated in Malaysia as a private limited liability company under the name of Stratus Global Holdings Sdn Bhd on 7 May 2025 under the Companies Act 2016.

On 25 November 2025, Stratus Global was converted from a private company to public company limited by shares and assumed its present name of Stratus Global Holdings Berhad.

As an integral part of listing of Stratus Global on the Main Market of Bursa Malaysia Securities Berhad, Stratus Global entered into a conditional share sale agreement on 11 November 2025 to acquire the entire equity interest in Stratus Automation Sdn Bhd ("SASB") ("the Acquisition"). The Acquisition was completed on even date.

SASB has two wholly-owned subsidiaries, Stratus Automation Corporation ("SACO") and Stratus Automation Pte Ltd ("SAPL"). Upon completion of the Acquisition, SASB becomes a wholly owned subsidiary of Stratus Global. Consequently SACO and SAPL become indirect wholly owned subsidiaries of Stratus Global.





**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****1. General information (cont'd)**

The principal activities, registered office and principal place of business of the companies are as follows:

| Name of company | Principal Activities  | Registered office  | Principal place of business  |
|-----------------|---|--|--|
| Stratus Global  | Investment holding  | 57-G, Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Bayan Lepas, Pulau Pinang | Plot 73-C, Lintang Bayan Lepas, Bayan Lepas Industrial Park, Phase 4, 11900, Bayan Lepas, Pulau Pinang |
| SASB            | Design and manufacture of material handling system and equipment for cleanroom, factory automation and provision of related automation services | 57-G, Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Bayan Lepas, Pulau Pinang | Plot 73-C, Lintang Bayan Lepas, Bayan Lepas Industrial Park, Phase 4, 11900, Bayan Lepas, Pulau Pinang |
| SACO            | Design industrial automation system and machinery   | 19207 101 <sup>st</sup> Place Southeast, Washington, 98055, United States              | 19207 101 <sup>st</sup> Place Southeast, Washington, 98055, United States                              |
| SAPL            | Provision of manpower contracting services (excluding IT manpower)  | 80 Robinson Road, #14-02, Singapore 068898   | 80 Robinson Road, #14-02, Singapore 068898   |

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****2. Basis of preparation**

The consolidated financial statements of SASB for financial years ended 31 March 2023, 2024, and 2025 ("the relevant reporting period") have been prepared under the historical cost convention, modified to include other bases of measurement as disclosed in other sections of the material accounting policy information, and in accordance with Malaysian Financial Reporting Standards ("MFRSs") and IFRS Accounting Standards ("IFRSs").

For the purpose of inclusion in the prospectus of Stratus Global in connection with the listing of and quotation for its entire enlarged number of issued ordinary shares on the Main Market of Bursa Malaysia Securities Berhad in accordance with the Chapter 10, Part II, Division I : Equity of Prospectus Guidelines issued by the Securities Commission Malaysia, the consolidated financial statements of Stratus Global, which are the combination or aggregation of the financial statements of the following combining entities, have been prepared based on the consolidated financial statements for the relevant reporting periods as follows:

| Combining Entity | Relevant Reporting Periods                                  | Accounting Standards Applied | Auditors   |
|------------------|---|------------------------------|--|
| SASB             | FYE 31 March 2025<br>FYE 31 March 2024<br>FYE 31 March 2023 | MFRSs<br>MFRSs<br>MFRSs      | Crowe Malaysia PLT<br>Crowe Malaysia PLT<br>Crowe Malaysia PLT                   |
| SAPL             | FYE 31 March 2025<br>FYE 31 March 2024<br>FYE 31 March 2023 | IFRSs<br>IFRSs<br>IFRSs      | Enterprise Assurance PAC<br>Enterprise Assurance PAC<br>Enterprise Assurance PAC |
| SACO             | FYE 31 March 2025<br>FYE 31 March 2024<br>FYE 31 March 2023 | IFRSs<br>IFRSs<br>IFRSs      | n/a*<br>n/a*<br>n/a*   |

\* Not required to be audited, and consolidated using unaudited financial statements

**Notes:**

FYE = Financial year ended

MFRSs = Malaysian Financial Reporting Standards

IFRSs = IFRS Accounting Standards

The consolidated financial statements of the Group for the relevant period were prepared in a manner similar to the "pooling-of-interest" method, as if entities within the Group were operating as a single economic enterprise from the beginning of the earliest comparative period covered by the relevant period or the dates of incorporation of entities within the Group, if later. Such manner of presentation reflects the economic substance of the combining entities, which were under common control throughout the relevant period.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory.

The financial statements of common controlled entities are included in the consolidated financial statements from the day that control commences until the date that control ceases. The identified assets and liabilities of all commonly controlled entities are accounted for at their historical costs. The accounting policies of common controlled entities have been changed where necessary to align them with the policies by the Group.

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****2. Basis of preparation (cont'd)**

The acquisition of SASB from its shareholders in exchange for the shares issued by Stratus Global was accounted for using the "pooling-of-interest" method of consolidation. Any excess or deficiency of the nominal value of the shares acquired is taken to the shareholders' equity as a merger reserve or deficit.

All material intra-group transactions and balances have been eliminated on combination.

The audited financial statements used to prepare the financial statements are not subject to any audit qualifications, modifications or disclaimers.

The Group has not applied the following MFRSs which have been issued as at the end of the reporting period but are not yet effective for the financial year ended 31 March 2025:

| <u>MFRS (issued as at the end of the reporting period)</u>  | <u>Effective for annual periods beginning on or after</u> |
|---|---|
| MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>  | 1 January 2027  |
| MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>  | 1 January 2027  |
| Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>                | 1 January 2026  |
| Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>                                       | 1 January 2026  |
| Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | Deferred  |
| Amendments to MFRS 121 <i>Lack of Exchangeability</i>   | 1 January 2025  |
| Annual Improvements to MFRS Accounting Standards - Volume 11  | 1 January 2026  |

Except for the adoption of MFRS 18, management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements.

**MFRS 18 *Presentation and Disclosure in Financial Statements***

MFRS 18, which will replace MFRS 101 *Presentation of Financial Statements* upon its adoption, aims to provide better information about entities' financial performance and enhance financial reporting quality. The key changes introduced by MFRS 18 are:

- classification of income and expenses into five categories (i.e. operating, investing, financing, income taxes and discontinued operations);
- presentation of two defined subtotals (i.e. operating profit or loss and profit or loss before financing and income taxes) in the statement of profit or loss;
- disclosures about management-defined performance measures; and
- new principles for aggregation and disaggregation of information.

The Group will initially apply the new requirements of MFRS 18 in the financial year ending 31 March 2028.

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****2. Basis of preparation (cont'd)****2.1 Statement of compliance**

The financial statements have been prepared in accordance with MFRS and IFRS.

**2.2 Functional and presentation currency**

The functional and presentation currency of the financial statements is Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") unless otherwise indicated.

**3. Material accounting policy information****3.1 Critical accounting estimates and judgements*****Key sources of estimation uncertainty***

The key assumptions about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**Valuation of inventories**

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. These reviews involve judgements and estimation uncertainty in forming expectations about future sales and demands. Any changes in these accounting estimates will result in revisions to the valuation of inventories (Note 8).

**Impairment of receivables**

The Group recognises loss allowance for expected credit losses on receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions. Any changes in these accounting estimates will affect the carrying amounts of receivables (Note 10).

**3.2 Business combinations**

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. If the assets acquired are not a business, the transaction or other event is accounted for as an asset acquisition.

Business combinations are accounted for using the acquisition method. Under the acquisition method, the consideration transferred, the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values. The components of non-controlling interests that are present ownership interests are measured at the present ownership instruments' proportionate share in the recognised amounts of the identifiable net assets acquired. All other components of non-controlling interests are measured at their acquisition-date fair values. In a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss.



**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****3. Material accounting policy information (cont'd)****3.2 Business combinations (cont'd)**

All acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss as incurred.

Goodwill at the acquisition date is measured as the excess of (a) over (b) below:

- (a) the aggregate of:
  - (i) the acquisition-date fair value of the consideration transferred;
  - (ii) the amount of any non-controlling interests; and
  - (iii) in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree.
- (b) the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

Goodwill is recognised as an asset at the aforementioned amount less accumulated impairment losses, if any. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

**3.3 Basis of consolidation**

A subsidiary is an entity that is controlled by another entity. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

A subsidiary is consolidated from the acquisition date, being the date on which control is obtained, and continues to be consolidated until the date when control is lost. Intragroup balances, transactions, income and expenses are eliminated in full on consolidation. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Upon loss of control of a subsidiary, the assets (including any goodwill) and liabilities of, and any non-controlling interests in the subsidiary are derecognised. All amounts recognised in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the related assets or liabilities had been directly disposed of. Any consideration received and any investment retained in the former subsidiary are recognised at their fair values. The resulting difference is then recognised as a gain or loss in profit or loss.

**3.4 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****3. Material accounting policy information (cont'd)****3.4 Property, plant and equipment (cont'd)**

Capital work-in-progress is not depreciated. Other property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets using the following annual rates:

|  |         |
|--|---------|
| Buildings                                | 3%      |
| Factory equipment                        | 20%     |
| Air conditioners                         | 20%     |
| Machinery                                | 20%     |
| Office equipment, furniture and fittings | 10%-20% |
| Computer                                 | 25%     |
| Motor vehicles                           | 25%     |
| Renovation                               | 25%     |

**3.5 Right-of-use assets and lease liabilities****(a) Short-term leases and leases of low-value assets**

The Group and the Company applies the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

**(b) Right-of-use assets**

Right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

**(c) Lease liabilities**

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

**3.6 Inventories**

Inventories of materials and goods are valued at the lower of cost (determined principally on the first-in, first-out basis) and net realisable value. Cost consists of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****3. Material accounting policy information (cont'd)****3.7 Contract assets and contract liabilities**

A contract is presented in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. A contract asset is an entity's right to consideration in exchange for goods or services transferred to a customer when that right is conditioned on something other than the passage of time. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

**3.8 Financial instruments****(a) Financial assets**Financial assets through profit or loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes include interest income.

Financial assets at amortised cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

**(b) Financial liabilities**Financial liabilities through profit or loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes include interest expense.

Financial liabilities at amortised cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

**(c) Equity**

Ordinary shares are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity.

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. Property, plant and equipment**

|                                  | Buildings<br>RM'000 | Factory<br>equipment<br>RM'000 | Air<br>conditioners<br>RM'000 | Machinery<br>RM'000 | Office<br>equipment,<br>furniture<br>and fittings<br>RM'000 | Computer<br>RM'000 | Motor<br>vehicles<br>RM'000 | Renovation<br>RM'000 | Capital work-<br>in-progress<br>RM'000 | Total<br>RM'000 |
|----------------------------------|---------------------|--------------------------------|-------------------------------|---------------------|---|--------------------|-----------------------------|----------------------|--|-----------------|
| <b>Cost</b>                      |                     |                                |                               |                     |   |                    |                             |                      |  |                 |
| Balance at 1 April 2022          | 6,500               | 342                            | 115                           | 1,361               | 353   | 1,046              | 170                         | 508                  | 6,670                                  | 17,065          |
| Additions                        | 0                   | 462                            | 0                             | 1,571               | 180   | 635                | 371                         | 198                  | 7,348                                  | 10,765          |
| Write-offs                       | 0                   | 0                              | 0                             | 0                   | (9)   | (44)               | 0                           | 0                    | 0                                      | (53)            |
| Reclassifications                | 14,018              | 0                              | 0                             | 0                   | 0   | 0                  | 0                           | 0                    | (14,018)                               | 0               |
| Currency translation differences | 0                   | 0                              | 0                             | 0                   | 0   | 3                  | 0                           | 0                    | 0                                      | 3               |
| Balance at 31 March 2023         | 20,518              | 804                            | 115                           | 2,932               | 524   | 1,640              | 541                         | 706                  | 0                                      | 27,780          |
| Additions                        | 473                 | 473                            | 21                            | 1,785               | 227   | 729                | 0                           | 102                  | 954                                    | 4,764           |
| Disposal                         | 0                   | 0                              | 0                             | 0                   | 0   | 0                  | (170)                       | 0                    | 0                                      | (170)           |
| Currency translation differences | 0                   | 0                              | 0                             | 0                   | 0   | 2                  | 0                           | 0                    | 0                                      | 2               |
| Balance at 31 March 2024         | 20,991              | 1,277                          | 136                           | 4,717               | 751   | 2,371              | 371                         | 808                  | 954                                    | 32,376          |
| Additions                        | 0                   | 277                            | 0                             | 50                  | 49  | 147                | 0                           | 6                    | 50                                     | 579             |
| Write-offs                       | 0                   | 0                              | 0                             | (71)                | (3)   | (8)                | 0                           | 0                    | 0                                      | (82)            |
| Reclassifications                | 0                   | 1,004                          | 0                             | 0                   | 0   | 0                  | 0                           | 0                    | (1,004)                                | 0               |
| Currency translation differences | 0                   | 0                              | 0                             | 0                   | 0   | (1)                | 0                           | 0                    | 0                                      | (1)             |
| Balance at 31 March 2025         | 20,991              | 2,558                          | 136                           | 4,696               | 797   | 2,509              | 371                         | 814                  | 0                                      | 32,872          |
| <b>Accumulated depreciation</b>  |                     |                                |                               |                     |   |                    |                             |                      |  |                 |
| Balance at 1 April 2022          | 403                 | 215                            | 106                           | 507                 | 205   | 551                | 170                         | 458                  | 0                                      | 2,615           |
| Depreciation                     | 285                 | 95                             | 9                             | 451                 | 73  | 286                | 0                           | 74                   | 0                                      | 1,273           |
| Write-offs                       | 0                   | 0                              | 0                             | 0                   | (6)   | (30)               | 0                           | 0                    | 0                                      | (36)            |
| Currency translation differences | 0                   | 0                              | 0                             | 0                   | 0   | 1                  | 0                           | 0                    | 0                                      | 1               |
| Balance at 31 March 2023         | 688                 | 310                            | 115                           | 958                 | 272   | 808                | 170                         | 532                  | 0                                      | 3,853           |
| Depreciation                     | 613                 | 186                            | 2                             | 747                 | 104   | 392                | 93                          | 70                   | 0                                      | 2,207           |
| Disposal                         | 0                   | 0                              | 0                             | 0                   | 0   | 0                  | (170)                       | 0                    | 0                                      | (170)           |
| Balance at 31 March 2024         | 1,301               | 496                            | 117                           | 1,705               | 376   | 1,200              | 93                          | 602                  | 0                                      | 5,890           |
| Depreciation                     | 615                 | 436                            | 4                             | 869                 | 111   | 462                | 93                          | 77                   | 0                                      | 2,667           |
| Write-offs                       | 0                   | 0                              | 0                             | (56)                | (1)   | (6)                | 0                           | 0                    | 0                                      | (63)            |
| Currency translation differences | 0                   | 0                              | 0                             | 0                   | 0   | (1)                | 0                           | 0                    | 0                                      | (1)             |
| Balance at 31 March 2025         | 1,916               | 932                            | 121                           | 2,518               | 486   | 1,655              | 186                         | 679                  | 0                                      | 8,493           |



## 12. ACCOUNTANTS' REPORT (CONT'D)

### STRATUS GLOBAL HOLDINGS BERHAD

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 4. Property, plant and equipment (cont'd)

|                          | Buildings<br>RM'000 | Factory<br>equipment<br>RM'000 | Air<br>conditioners<br>RM'000 | Machinery<br>RM'000 | Office<br>equipment,<br>furniture<br>and fittings<br>RM'000 | Computer<br>RM'000 | Motor<br>vehicles<br>RM'000 | Renovation<br>RM'000 | Capital work-<br>in-progress<br>RM'000 | Total<br>RM'000 |
|--------------------------|---------------------|--------------------------------|-------------------------------|---------------------|---|--------------------|-----------------------------|----------------------|--|-----------------|
| <b>Carrying amount</b>   |                     |                                |                               |                     |   |                    |                             |                      |  |                 |
| Balance at 1 April 2022  | 6,097               | 127                            | 9                             | 854                 | 148   | 495                | 0                           | 50                   | 6,670                                  | 14,450          |
| Balance at 31 March 2023 | 19,830              | 494                            | 0                             | 1,974               | 252   | 832                | 371                         | 174                  | 0                                      | 23,927          |
| Balance at 31 March 2024 | 19,690              | 781                            | 19                            | 3,012               | 375   | 1,171              | 278                         | 206                  | 954                                    | 26,486          |
| Balance at 31 March 2025 | 19,075              | 1,626                          | 15                            | 2,178               | 311   | 854                | 185                         | 135                  | 0                                      | 24,379          |

The buildings have been pledged as security for credit facilities granted to the Group.

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****5. Right-of-use assets**

|                                  | Leasehold<br>land<br>RM'000 | Staff<br>hostels<br>RM'000 | Total<br>RM'000 |
|----------------------------------|-----------------------------|----------------------------|-----------------|
| Balance at 1 April 2022          | 14,069                      | 244                        | 14,313          |
| Additions                        | 0                           | 324                        | 324             |
| Depreciation                     | (414)                       | (225)                      | (639)           |
| Currency translation differences | 0                           | 12                         | 12              |
| Balance at 31 March 2023         | 13,655                      | 355                        | 14,010          |
| Additions                        | 0                           | 597                        | 597             |
| Depreciation                     | (414)                       | (463)                      | (877)           |
| Currency translation differences | 0                           | 12                         | 12              |
| Balance at 31 March 2024         | 13,241                      | 501                        | 13,742          |
| Additions                        | 0                           | 296                        | 296             |
| Depreciation                     | (414)                       | (449)                      | (863)           |
| Currency translation differences | 0                           | (20)                       | (20)            |
| Balance at 31 March 2025         | 12,827                      | 328                        | 13,155          |

The Group acquired the right to use the leasehold land as its principal place of business for 36 years. It also leases the staff hostels for lease term of 2 years.

The leasehold land has been pledged as security for credit facilities granted to the Group.

**6. Intangible assets**

|                                  | Computer<br>software<br>RM'000 | Trademark<br>RM'000 | Total<br>RM'000 |
|----------------------------------|--------------------------------|---------------------|-----------------|
| <b>Cost</b>                      |                                |                     |                 |
| Balance at 1 April 2022          | 734                            | 2,571               | 3,305           |
| Write-offs                       | (614)                          | 0                   | (614)           |
| Currency translation differences | 0                              | 129                 | 129             |
| Balance at 31 March 2023         | 120                            | 2,700               | 2,820           |
| Write-offs                       | (120)                          | 0                   | (120)           |
| Currency translation differences | 0                              | 187                 | 187             |
| Balance at 31 March 2024         | 0                              | 2,887               | 2,887           |
| Currency translation differences | 0                              | (177)               | (177)           |
| Balance at 31 March 2025         | 0                              | 2,710               | 2,710           |
| <b>Accumulated amortisation</b>  |                                |                     |                 |
| Balance at 1 April 2022          | 558                            | 696                 | 1,254           |
| Amortisation                     | 160                            | 680                 | 840             |
| Write-offs                       | (614)                          | 0                   | (614)           |
| Currency translation differences | 0                              | (5)                 | (5)             |
| Balance at 31 March 2023         | 104                            | 1,371               | 1,475           |
| Amortisation                     | 16                             | 710                 | 726             |
| Write-offs                       | (120)                          | 0                   | (120)           |
| Currency translation differences | 0                              | 11                  | 11              |
| Balance at 31 March 2024         | 0                              | 2,092               | 2,092           |
| Amortisation                     | 0                              | 629                 | 629             |
| Currency translation differences | 0                              | (11)                | (11)            |
| Balance at 31 March 2025         | 0                              | 2,710               | 2,710           |

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****6. Intangible assets (cont'd)**

|                          | Computer<br>software<br>RM'000 | Trademark<br>RM'000 | Total<br>RM'000 |
|--------------------------|--------------------------------|---------------------|-----------------|
| <b>Carrying amount</b>   |                                |                     |                 |
| Balance at 1 April 2022  | 176                            | 1,875               | 2,051           |
| Balance at 31 March 2023 | 16                             | 1,329               | 1,345           |
| Balance at 31 March 2024 | 0                              | 795                 | 795             |
| Balance at 31 March 2025 | 0                              | 0                   | 0               |

**7. Deferred tax assets/(liabilities)**

|   | 2023<br>RM'000 | 2024<br>RM'000 | 2025<br>RM'000 |
|---|----------------|----------------|----------------|
| Balance at 1 April  | 5              | (391)          | (550)          |
| Deferred tax (expense)/income relating to origination and reversal of temporary differences | (398)          | (440)          | 109            |
| Deferred tax liabilities over provided in prior year  | 2              | 280            | 37             |
| Currency translation differences  | 0              | 1              | (1)            |
| Balance at 31 March   | (391)          | (550)          | (404)          |
| Disclosed as:   |                |                |                |
| - Deferred tax assets   | 0              | 1              | 2              |
| - Deferred tax liabilities  | (391)          | (551)          | (406)          |
|   | (391)          | (550)          | (404)          |
| In respect of (taxable)/deductible temporary differences of:                                |                |                |                |
| - Property, plant and equipment   | (535)          | (589)          | (913)          |
| - Right-of-use assets   | 0              | (59)           | (56)           |
| - Inventories   | 0              | 0              | 292            |
| - Financial instruments   | 144            | 38             | 215            |
| - Lease liabilities   | 0              | 60             | 58             |
|   | (391)          | (550)          | (404)          |

**8. Inventories**

|  | 2023<br>RM'000 | 2024<br>RM'000 | 2025<br>RM'000 |
|--|----------------|----------------|----------------|
| Raw materials                                | 22,496         | 20,527         | 16,868         |
| Work-in-progress                             | 1,081          | 5,870          | 4,699          |
|  | 23,577         | 26,397         | 21,567         |
| Inventories recognised as cost of goods sold | 71,407         | 105,348        | 102,105        |
| Inventories written down                     | 0              | 0              | 1,216          |

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****9. Contract assets and contract liabilities****Contract assets**

|   | <b>2023<br/>RM'000</b> | <b>2024<br/>RM'000</b> | <b>2025<br/>RM'000</b> |
|---|------------------------|------------------------|------------------------|
| Balance at 1 April                            | 0                      | 0                      | 21                     |
| Reclassification to receivables               | 0                      | 0                      | (21)                   |
| Excess of revenue recognised over receivables | 0                      | 21                     | 0                      |
| Balance at 31 March                           | <u>0</u>               | <u>21</u>              | <u>0</u>               |

The Group generally satisfies its performance obligations at a point in time upon delivery of goods. Any conditional right to consideration after a performance obligation is satisfied is presented as contract asset.

The Group measures the loss allowance for contract assets at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Based on the low historical observed default rates (adjusted for forward-looking estimates), the expected credit losses on contract assets are not considered to be material and hence, have not been recognised.

**Contract liabilities**

|  | <b>2023<br/>RM'000</b> | <b>2024<br/>RM'000</b> | <b>2025<br/>RM'000</b> |
|--|------------------------|------------------------|------------------------|
| Balance at 1 April                                   | 25,631                 | 1,898                  | 21,207                 |
| Revenue recognised from opening contract liabilities | (25,631)               | (1,898)                | (21,207)               |
| Excess of consideration over revenue recognised      | 1,898                  | 21,207                 | 7,013                  |
| Balance at 31 March                                  | <u>1,898</u>           | <u>21,207</u>          | <u>7,013</u>           |

The Group generally satisfy their performance obligations at a point in time upon delivery of goods or over time when the services are performed. Any consideration received or due in advance before a performance obligation is satisfied is presented as contract liability.

As a practical expedient, information about remaining performance obligations for contracts with original duration of one year or less has not been disclosed.

**10. Receivables**

|                   | <b>2023<br/>RM'000</b> | <b>2024<br/>RM'000</b> | <b>2025<br/>RM'000</b> |
|-------------------|------------------------|------------------------|------------------------|
| Trade receivables | 44,480                 | 57,019                 | 83,427                 |
| Other receivables | 997                    | 450                    | 180                    |
| Deposits          | 437                    | 425                    | 540                    |
|                   | <u>45,914</u>          | <u>57,894</u>          | <u>84,147</u>          |

**Trade receivables**

The credit terms of trade receivables range from 15 to 90 days.



## 12. ACCOUNTANTS' REPORT (CONT'D)

### STRATUS GLOBAL HOLDINGS BERHAD

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

##### 11. Cash and cash equivalents

|                        | 2023<br>RM'000 | 2024<br>RM'000 | 2025<br>RM'000 |
|------------------------|----------------|----------------|----------------|
| Cash and bank balances | 5,268          | 6,282          | 41,975         |
| Term deposits          | 28,005         | 41,701         | 18,342         |
|                        | <u>33,273</u>  | <u>47,983</u>  | <u>60,317</u>  |

The effective interest rates of term deposits as at the end of the reporting period are as follows:

|                                      | 2023<br>%          | 2024<br>%          | 2025<br>%          |
|--------------------------------------|--------------------|--------------------|--------------------|
| Effective interest rates (per annum) | <u>3.95 - 5.00</u> | <u>2.65 - 5.25</u> | <u>2.45 - 4.25</u> |

##### 12. Payables

|                | 2023<br>RM'000 | 2024<br>RM'000 | 2025<br>RM'000 |
|----------------|----------------|----------------|----------------|
| Trade payables | 9,755          | 11,556         | 4,704          |
| Other payables | 1,530          | 2,093          | 2,058          |
| Accruals       | 4,850          | 3,531          | 3,761          |
|                | <u>16,135</u>  | <u>17,180</u>  | <u>10,523</u>  |

##### Trade and other payables

The credit terms of trade and other payables range from 30 to 90 days.

##### 13. Lease liabilities

|                         | 2023<br>RM'000 | 2024<br>RM'000 | 2025<br>RM'000 |
|-------------------------|----------------|----------------|----------------|
| Current liabilities     | 282            | 373            | 279            |
| Non-current liabilities | 65             | 135            | 59             |
|                         | <u>347</u>     | <u>508</u>     | <u>338</u>     |

The incremental borrowing rates applied to lease liabilities as at the end of the reporting period is as follows:

|                                      | 2023<br>%          | 2024<br>%          | 2025<br>%   |
|--------------------------------------|--------------------|--------------------|-------------|
| Effective interest rates (per annum) | <u>3.16 - 5.25</u> | <u>3.16 - 5.25</u> | <u>5.25</u> |

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****14. Invested capital**

|   | 2023<br>RM'000 | 2024<br>RM'000 | 2025<br>RM'000 |
|---|----------------|----------------|----------------|
| <b>Issued and fully paid</b>                |                |                |                |
| 4,468,650 ordinary shares with no par value | 4,469          | 4,469          | 4,469          |

**15. Revenue**

|   | 2023<br>RM'000 | 2024<br>RM'000 | 2025<br>RM'000 |
|---|----------------|----------------|----------------|
| Revenue from contracts with customers:            |                |                |                |
| - Sale of goods                                   | 143,386        | 158,234        | 215,639        |
| - Rendering of services                           | 2,530          | 643            | 4,636          |
|   | 145,916        | 158,877        | 220,275        |
| Disaggregated by geographical areas of customers: |                |                |                |
| - Malaysia  | 85,646         | 100,272        | 98,200         |
| - Europe  | 18,404         | 24,316         | 49,108         |
| - North America                                   | 291            | 6              | 3,894          |
| - Other Asian countries                           | 41,575         | 34,283         | 69,073         |
|   | 145,916        | 158,877        | 220,275        |

The information on the disaggregation of revenue has not been disclosed as the Group generate revenue principally from supplying material handling system and equipment and the provision of related automation services.

Sales of goods

Revenue from sale of goods is recognised at a point in time when the Group satisfies a performance obligation by transferring a promised goods to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and acceptance by the customer.

The credit terms granted to the customers are disclosed in Note 10 to the financial statements. There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve (12) months. There were no variable elements in the sales consideration.

Rendering of services

Revenue from rendering of services is recognised over time in the period when services are rendered using an input method, i.e. costs incurred relative to the total expected costs. The Group and the Company determine that the transfer of control of promised services generally coincides with their performance as the customer simultaneously receives and consumes the benefits of the performance as the Group or the Company performs.

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****16. Profit before tax**

|  | 2023<br>RM'000 | 2024<br>RM'000 | 2025<br>RM'000 |
|--|----------------|----------------|----------------|
| Profit before tax is arrived at after charging:  |                |                |                |
| Auditors' remuneration   | 75             | 137            | 106            |
| Amortisation of intangible assets  | 840            | 726            | 629            |
| Depreciation of property, plant and equipment  | 1,273          | 2,207          | 2,667          |
| Depreciation of right-of-use assets  | 639            | 877            | 863            |
|  | 2,752          | 3,810          | 4,159          |
| Employee benefits expense (including key management personnel compensation as disclosed in Note 21): |                |                |                |
| - Short-term employee benefits   | 33,347         | 45,073         | 51,811         |
| - Defined contribution plans   | 3,417          | 4,468          | 5,163          |
|  | 36,764         | 49,541         | 56,974         |
| Interest expense for financial liabilities not measured at fair value through profit or loss         | 141            | 0              | 0              |
| Interest expense for lease liabilities   | 6              | 37             | 23             |
| Lease expense relating to short-term leases  | 583            | 451            | 679            |
| Loss on disposal of subsidiary   | 0              | 0              | 4              |
| Loss on foreign exchange:  |                |                |                |
| - Realised   | 0              | 0              | 3,960          |
| - Unrealised   | 601            | 167            | 282            |
| Property, plant and equipment written off  | 17             | 0              | 17             |
| and crediting:   |                |                |                |
| Fair value gains on financial instruments mandatorily measured at fair value through profit or loss  | 22             | 0              | 0              |
| Gain on disposal of property, plant and equipment  | 0              | 70             | 0              |
| Interest income for financial assets measured at amortised cost                                      | 782            | 1,532          | 2,344          |
| Realised gain on foreign exchange  | 4,035          | 5,241          | 0              |

**17. Tax expense**

|  | 2023<br>RM'000 | 2024<br>RM'000 | 2025<br>RM'000 |
|--|----------------|----------------|----------------|
| Tax based on results for the year:       |                |                |                |
| - Current tax                            | 14,213         | 8,810          | 21,620         |
| - Deferred tax                           | 398            | 440            | (109)          |
| - Real property gains tax                | 0              | 0              | 653            |
|  | 14,611         | 9,250          | 22,164         |
| Tax under/(over) provided in prior year: |                |                |                |
| - Current tax                            | 129            | (5,651)        | (2)            |
| - Deferred tax                           | (2)            | (280)          | (37)           |
|  | 14,738         | 3,319          | 22,125         |

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****17. Tax expense (cont'd)**

The numerical reconciliation between the applicable tax rate, which is the statutory income tax rate, and the average effective tax rate on results for the year is as follows:

|                                  | <b>2023</b><br><b>%</b> | <b>2024</b><br><b>%</b> | <b>2025</b><br><b>%</b> |
|----------------------------------|-------------------------|-------------------------|-------------------------|
| Applicable tax rate              | 24.00                   | 24.00                   | 24.00                   |
| Non-deductible expenses          | 1.51                    | 4.12                    | 7.97                    |
| Non-taxable income               | (0.05)                  | (0.08)                  | (6.74)                  |
| Effect of differential tax rates | (0.09)                  | 0.63                    | (0.13)                  |
| Average effective tax rate       | <u>25.37</u>            | <u>28.67</u>            | <u>25.10</u>            |

**18. Earnings per share****Basic**

Basic earnings per share is calculated by dividing the Group's profit for the financial years by the weighted average number of ordinary shares in issue during the financial years as follows:

|  | <b>2023</b>   | <b>2024</b>   | <b>2025</b>   |
|--|---------------|---------------|---------------|
| Profit for the financial year (RM'000)           | <u>42,866</u> | <u>28,945</u> | <u>66,162</u> |
| Weighted average number of share in issue ('000) | <u>4,469</u>  | <u>4,469</u>  | <u>4,469</u>  |
| Basic earnings per share (RM)                    | <u>9.59</u>   | <u>6.48</u>   | <u>14.80</u>  |

The diluted earnings per share equals the basic earnings per share as there were no dilutive potential ordinary shares during the financial years.

**19. Dividends**

|   | <b>2023</b><br><b>RM'000</b> | <b>2024</b><br><b>RM'000</b> | <b>2025</b><br><b>RM'000</b> |
|---|------------------------------|------------------------------|------------------------------|
| Based on 4,468,650 ordinary shares of SASB:               |                              |                              |                              |
| - In respect of the financial year ended 31 March 2024:   |                              |                              |                              |
| - First interim single tier dividend of RM1.00 per share  | 0                            | 4,469                        | 0                            |
| - In respect of the financial year ended 31 March 2025:   |                              |                              |                              |
| - First interim single tier dividend of RM1.00 per share  | 0                            | 0                            | 4,469                        |
| - Second interim single tier dividend of RM1.50 per share | 0                            | 0                            | 6,703                        |
| - Third interim single tier dividend of RM0.25 per share  | 0                            | 0                            | 1,117                        |
| - Fourth interim single tier dividend of RM2.00 per share | 0                            | 0                            | 8,937                        |
|   | <u>0</u>                     | <u>4,469</u>                 | <u>21,226</u>                |

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****20. Notes to consolidated statements of cash flows****Disposal of subsidiary**

SASB disposed its entire equity interest in its subsidiary, Orthomedic Medical Devices Sdn. Bhd., in March 2025 for cash consideration of RM1,000,000. The effects of the disposal on the consolidated statement of cash flows are as follows:

|   | <b>RM'000</b> |
|---|---------------|
| Cash and cash equivalents                       | 1,026         |
| Payables  | (5)           |
| Current tax liabilities                         | (17)          |
| Net liabilities disposed of                     | 1,004         |
| Loss on disposal                                | (4)           |
| Cash consideration received                     | 1,000         |
| Cash and cash equivalents disposed of           | (1,026)       |
| Disposal of subsidiary, net of cash disposed of | (26)          |

**Lease liabilities**

|                                    | <b>2023<br/>RM'000</b> | <b>2024<br/>RM'000</b> | <b>2025<br/>RM'000</b> |
|------------------------------------|------------------------|------------------------|------------------------|
| Balance at 1 April                 | 243                    | 347                    | 508                    |
| Acquisition of right-of-use assets | 324                    | 597                    | 296                    |
| Payments                           | (220)                  | (436)                  | (466)                  |
| Balance at 31 March (Note 13)      | 347                    | 508                    | 338                    |

The total cash outflow for leases is as follows:

|  | <b>2023<br/>RM'000</b> | <b>2024<br/>RM'000</b> | <b>2025<br/>RM'000</b> |
|--|------------------------|------------------------|------------------------|
| <b>Operating activities</b>                          |                        |                        |                        |
| Lease expense recognised in profit or loss (Note 16) | 583                    | 451                    | 679                    |
| <b>Financing activities</b>                          |                        |                        |                        |
| Interest portion of lease liabilities (Note 16)      | 6                      | 37                     | 23                     |
| Principal portion of lease liabilities               | 220                    | 436                    | 466                    |
|  | 809                    | 924                    | 1,168                  |



**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****21. Key management personnel compensation**

|                                      | <b>2023<br/>RM'000</b> | <b>2024<br/>RM'000</b> | <b>2025<br/>RM'000</b> |
|--------------------------------------|------------------------|------------------------|------------------------|
| Directors of the Company:            |                        |                        |                        |
| - Fees                               | 2,647                  | 2,974                  | 3,323                  |
| - Other short-term employee benefits | 2,668                  | 2,424                  | 2,034                  |
| - Defined contribution plans         | 288                    | 227                    | 141                    |
|                                      | 5,603                  | 5,625                  | 5,498                  |
| Directors of subsidiaries:           |                        |                        |                        |
| - Short-term employee benefits       | 2,117                  | 2,349                  | 2,421                  |
| - Defined contribution plans         | 168                    | 214                    | 229                    |
|                                      | 2,285                  | 2,563                  | 2,650                  |
| Other key management personnel:      |                        |                        |                        |
| - Short-term employee benefits       | 618                    | 1,056                  | 2,007                  |
| - Defined contribution plans         | 79                     | 153                    | 272                    |
|                                      | 697                    | 1,209                  | 2,279                  |
|                                      | <u>8,585</u>           | <u>9,397</u>           | <u>10,427</u>          |

The estimated money value of benefits received or receivable by directors otherwise than in cash from the Group is as follows:

|                          | <b>2023<br/>RM'000</b> | <b>2024<br/>RM'000</b> | <b>2025<br/>RM'000</b> |
|--------------------------|------------------------|------------------------|------------------------|
| Directors of the Company | <u>96</u>              | <u>108</u>             | <u>138</u>             |

**22. Segment reporting****Operating Segment**

Information about operating segment has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely designing and manufacturing of material handling system and equipment for cleanroom, factory automation and provision of related automation services.

**Geographical Information**

The Group operates principally in Malaysia throughout the financial years and generates revenue from the following geographical locations of customers:

|          | <b>2023<br/>RM'000</b> | <b>2024<br/>RM'000</b> | <b>2025<br/>RM'000</b> |
|----------|------------------------|------------------------|------------------------|
| Malaysia | 85,646                 | 100,272                | 98,200                 |
| Overseas | 60,270                 | 58,605                 | 122,075                |
|          | <u>145,916</u>         | <u>158,877</u>         | <u>220,275</u>         |

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****22. Segment reporting (cont'd)****Major customers**

The major groups of customers that contributed 10% or more of the Group's total revenue and the total revenue generated from these major customers are as follows:

|            | <b>2023<br/>RM'000</b> | <b>2024<br/>RM'000</b> | <b>2025<br/>RM'000</b> |
|------------|------------------------|------------------------|------------------------|
| Customer A | 31,173                 | 50,887                 | 81,197                 |
| Customer B | 41,185                 | 30,154                 | 66,000                 |
| Customer C | 26                     | 12,437                 | 31,099                 |
| Customer D | 4,022                  | 3,970                  | 23,155                 |
| Customer E | 47,166                 | 42,993                 | 10,968                 |
| Customer F | 17,483                 | 4,288                  | 2,061                  |

**23. Contractual commitments**

|  | <b>2023<br/>RM'000</b> | <b>2024<br/>RM'000</b> | <b>2025<br/>RM'000</b> |
|--|------------------------|------------------------|------------------------|
| Acquisition of property, plant and equipment | 989                    | 38                     | 0                      |

**24. Financial instruments**

The activities of the Group expose it to certain financial risks, including credit risk, liquidity risk and currency risk. The overall financial risk management objective of the Group is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged throughout the relevant reporting period.

**24.1 Financial risk management policies****Credit risk**

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****24. Financial instruments (cont'd)****24.1 Financial risk management policies (cont'd)****Credit risk (cont'd)****(i) Credit risk concentration profile**

The Group determines credit risk concentration in terms of geographical areas and counterparties.

The credit risk concentration profile by geographical areas of trade receivables as at end of reporting period is as follows:

|                       | <b>2023</b><br><b>RM'000</b> | <b>2024</b><br><b>RM'000</b> | <b>2025</b><br><b>RM'000</b> |
|-----------------------|------------------------------|------------------------------|------------------------------|
| Malaysia              | 40,383                       | 42,188                       | 56,662                       |
| Europe                | 3,742                        | 4,570                        | 10,575                       |
| North America         | 1                            | 0                            | 11,404                       |
| Other Asian countries | 354                          | 10,261                       | 4,786                        |
|                       | <u>44,480</u>                | <u>57,019</u>                | <u>83,427</u>                |

The Group's major concentration of credit risk relates to trade receivables that individually accounted for 10% or more of the Group's trade receivables as at the end of reporting period is as follows:

|  | <b>2023</b>   | <b>2024</b>   | <b>2025</b>   |
|--|---------------|---------------|---------------|
| No. of major customers                 | <u>2</u>      | <u>4</u>      | <u>3</u>      |
| Total outstanding balances<br>(RM'000) | <u>40,382</u> | <u>54,421</u> | <u>59,576</u> |

**(ii) Maximum exposure to credit risk**

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

**(iii) Assessment of impairment losses**

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group closely monitors the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluates whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****24. Financial instruments (cont'd)****24.1 Financial risk management policies (cont'd)****Credit risk (cont'd)****(iii) Assessment of impairment losses (cont'd)**Trade receivables

The Group apply the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 90 days past due and the receivable is unlikely to repay its debt to the Group in full. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

*Allowance for impairment losses*

The information about the credit exposure for trade receivables is as follows:

|                            | <b>2023<br/>RM'000</b> | <b>2024<br/>RM'000</b> | <b>2025<br/>RM'000</b> |
|----------------------------|------------------------|------------------------|------------------------|
| Not past due               | 40,066                 | 41,997                 | 57,561                 |
| 1 to 30 days past due      | 2,428                  | 6,409                  | 9,514                  |
| 31 to 60 days past due     | 538                    | 2,363                  | 660                    |
| 61 to 90 days past due     | 0                      | 773                    | 818                    |
| More than 90 days past due | 1,448                  | 5,477                  | 14,874                 |
|                            | <u>44,480</u>          | <u>57,019</u>          | <u>83,427</u>          |

Based on the low historical observed default rates (adjusted for forward-looking estimates), the expected credit losses on trade receivables are not considered to be material and hence, have not been recognised.

Other receivables

The Group apply the general approach to measuring expected credit losses for its other receivables. Under this approach, the Group assess whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group measure the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

*Allowance for impairment losses*

No expected credit loss is recognised on other receivables as it is negligible.

Term deposits and cash and bank balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****24. Financial instruments (cont'd)****24.1 Financial risk management policies (cont'd)****Liquidity risk**

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash and the availability of funding through standby credit facilities.

**Maturity analysis**

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

|   | Effective<br>interest rate<br>% | Carrying<br>amount<br>RM'000 | Contractual<br>undiscounted<br>cash flows<br>RM'000 | Within<br>1 year<br>RM'000 | 1 to 5 years<br>RM'000 |
|---|---------------------------------|------------------------------|---|----------------------------|------------------------|
| <b>31 March 2025</b>                        |                                 |                              |   |                            |                        |
| <b>Non-derivative financial liabilities</b> |                                 |                              |   |                            |                        |
| Payables                                    | -                               | 10,523                       | 10,523  | 10,523                     | 0                      |
| Lease liabilities                           | 5.25                            | 338                          | 349   | 290                        | 59                     |
|   |                                 | <u>10,861</u>                | <u>10,872</u>                                       | <u>10,813</u>              | <u>59</u>              |
| <b>31 March 2024</b>                        |                                 |                              |   |                            |                        |
| <b>Non-derivative financial liabilities</b> |                                 |                              |   |                            |                        |
| Payables                                    | -                               | 17,180                       | 17,180  | 17,180                     | 0                      |
| Lease liabilities                           | 3.16 - 5.25                     | 508                          | 527   | 388                        | 139                    |
|   |                                 | <u>17,688</u>                | <u>17,707</u>                                       | <u>17,568</u>              | <u>139</u>             |
| <b>31 March 2023</b>                        |                                 |                              |   |                            |                        |
| <b>Non-derivative financial liabilities</b> |                                 |                              |   |                            |                        |
| Payables                                    | -                               | 16,135                       | 16,135  | 16,135                     | 0                      |
| Lease liabilities                           | 3.16 - 5.25                     | 347                          | 374   | 303                        | 71                     |
|   |                                 | <u>16,482</u>                | <u>16,509</u>                                       | <u>16,438</u>              | <u>71</u>              |

**Currency risk**

The Group's exposure to currency risk arises mainly from transactions entered into by individual entities within the Group in currencies other than their functional currencies. The major functional currencies within the Group are Ringgit Malaysia ("RM") and US Dollar ("USD"), whereas the major foreign currency transacted is US Dollar ("USD"). The gross carrying amounts of foreign currency denominated monetary items at the end of the reporting period are as follows:

|                           | <b>Denominated in USD</b> |                        |                        |
|---------------------------|---------------------------|------------------------|------------------------|
|                           | <b>2023<br/>RM'000</b>    | <b>2024<br/>RM'000</b> | <b>2025<br/>RM'000</b> |
| Receivables               | 36,974                    | 33,650                 | 51,166                 |
| Cash and cash equivalents | 21,543                    | 42,721                 | 52,998                 |
| Payables                  | <u>(616)</u>              | <u>(1,286)</u>         | <u>(363)</u>           |
|                           | <u>57,901</u>             | <u>75,085</u>          | <u>103,801</u>         |



**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****24. Financial instruments (cont'd)****24.1 Financial risk management policies (cont'd)****Currency risk (cont'd)**

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk. Where necessary, the Group enters into derivative contracts to hedge the exposure. Such exposure is also partly mitigated in the following ways:

- (i) The Group's foreign currency sales and purchases provide a natural hedge against fluctuations in foreign currencies.
- (ii) The Group maintains part of its cash and cash equivalents in foreign currency accounts to meet future obligations in foreign currencies.

Based on a symmetric basis which uses the foreign currency as a stable denominator, the following table demonstrates the sensitivity of profit or loss and equity to changes in exchange rates that were reasonably possible at the end of the reporting period, with all other variables held constant:

|   | <b>Profit/(Loss) and equity</b> |                |                |
|---|---------------------------------|----------------|----------------|
|   | <b>2023</b>                     | <b>2024</b>    | <b>2025</b>    |
|   | <b>RM'000</b>                   | <b>RM'000</b>  | <b>RM'000</b>  |
| Appreciation of USD against RM by (%)<br>(2023 : 5 ; 2024 : 2 ; 2025 : 4) | 2,387                           | 1,434          | 3,992          |
| Depreciation of USD against RM by (%)<br>(2023 : 5 ; 2024 : 2 ; 2025 : 4) | <u>(2,387)</u>                  | <u>(1,434)</u> | <u>(3,992)</u> |

**24.2. Capital risk management**

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group consider its total equity and total interest-bearing debts to be the key components of its capital structure and may, from time to time, adjust the dividend payouts, purchase own shares, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group monitor capital using a debt-to-equity ratio, which is calculated as total interest-bearing debts divided by total equity as follows:

|                                  | <b>2023</b>     | <b>2024</b>     | <b>2025</b>     |
|----------------------------------|-----------------|-----------------|-----------------|
|                                  | <b>RM'000</b>   | <b>RM'000</b>   | <b>RM'000</b>   |
| Lease liabilities                | 347             | 508             | 338             |
| Less : Cash and cash equivalents | <u>(33,273)</u> | <u>(47,983)</u> | <u>(60,317)</u> |
| Net cash                         | <u>(32,926)</u> | <u>(47,475)</u> | <u>(59,979)</u> |
| Total equity                     | <u>122,277</u>  | <u>147,363</u>  | <u>191,618</u>  |
| Debt-to-equity ratio (times)     | <u>*</u>        | <u>*</u>        | <u>*</u>        |

\* Not applicable as the Group is in net cash position

**12. ACCOUNTANTS' REPORT (CONT'D)****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****24. Financial instruments (cont'd)****24.2. Capital risk management (cont'd)**

The aforementioned capital management objective, policies and processes have remained unchanged from the previous financial year.

**24.3 Classification of financial instruments**

|                                     | <b>2023<br/>RM'000</b> | <b>2024<br/>RM'000</b> | <b>2025<br/>RM'000</b> |
|-------------------------------------|------------------------|------------------------|------------------------|
| <b>Financial assets</b>             |                        |                        |                        |
| <u>Amortised cost</u>               |                        |                        |                        |
| Receivables (Note 10)               | 45,914                 | 57,894                 | 84,147                 |
| Cash and cash equivalents (Note 11) | 33,273                 | 47,983                 | 60,317                 |
|                                     | <u>79,187</u>          | <u>105,877</u>         | <u>144,464</u>         |
| <b>Financial liabilities</b>        |                        |                        |                        |
| <u>Amortised cost</u>               |                        |                        |                        |
| Payables (Note 12)                  | <u>16,135</u>          | <u>17,180</u>          | <u>10,523</u>          |

**24.4 Gains or losses arising from financial instruments**

|  | <b>2023<br/>RM'000</b> | <b>2024<br/>RM'000</b> | <b>2025<br/>RM'000</b> |
|--|------------------------|------------------------|------------------------|
| Net gains/(losses) on:                                       |                        |                        |                        |
| - Financial assets at amortised costs                        | 804                    | 1,532                  | 2,344                  |
| - Financial liabilities at fair value through profit or loss | <u>(141)</u>           | <u>0</u>               | <u>0</u>               |

**24.5 Fair value information**

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

## 12. ACCOUNTANTS' REPORT (CONT'D)

### STRATUS GLOBAL HOLDINGS BERHAD

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

##### 25. Significant events during and after the reporting period

- (a) On 27 October 2025, SASB declared an interim dividend of RM3.00 per share amounted to RM13,405,950 for the financial year ending 31 March 2026. The said dividend was paid on 27 November 2025.
- (b) On 11 November 2025, the Company had entered into a conditional share sale agreement with the shareholders of SASB to acquire the entire issued share capital of SASB comprising 4,468,650 ordinary shares for a total purchase consideration of RM192,151,950, which was fully satisfied through the allotment and issuance of 893,730,000 new ordinary shares in Stratus Global ("Stratus Global Share(s)") at an issue price of RM0.215 per Stratus Global Share.

The purchase consideration was based on a "willing-buyer willing-seller" basis after taking into consideration the audited consolidated NA of SASB and its subsidiaries as at 31 March 2025 of RM191.62 million. The Acquisition of SASB was completed on 11 November 2025 and thereafter, SASB became a wholly-owned subsidiary of the Company.

The said acquisition by Stratus Global Group is to facilitate the initial public offering exercise and listing of the Company on the Main Market of Bursa Malaysia Securities Berhad.

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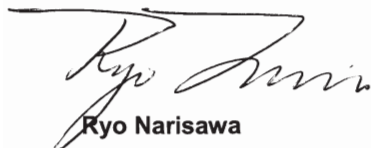
**12. ACCOUNTANTS' REPORT (CONT'D)**

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**STRATUS GLOBAL HOLDINGS BERHAD**

**STATEMENT BY DIRECTORS**

We, Ryo Narisawa and Tan Chan Chin, being the two directors of Stratus Global Holdings Berhad, state that, in the opinion of the directors, the consolidated financial statements set out on pages 4 to 33 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and Prospectus Guidelines issued by the Securities Commission Malaysia so as to give a true and fair view of the financial position of the Group as at 31 March 2023, 31 March 2024 and 31 March 2025 and of their financial performance and cash flows for the financial years then ended.



**Ryo Narisawa**



**Tan Chan Chin**