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P R O S P E C T U S



STRATUS GLOBAL HOLDINGS BERHAD

(Registration No.: 202501019963 (1621376-M))
(Incorporated in Malaysia)

INITIAL PUBLIC OFFERING ("IPO") IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED ORDINARY SHARE CAPITAL OF STRATUS GLOBAL HOLDINGS BERHAD ("STRATUS GLOBAL" OR THE "COMPANY") ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("MAIN MARKET") COMPRISING A PUBLIC ISSUE OF 356,250,000 NEW ORDINARY SHARES IN STRATUS GLOBAL ("IPO SHARE(S)") IN THE FOLLOWING MANNER:-

- (I) 25,000,000 IPO SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- (II) 30,000,000 IPO SHARES RESERVED FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES AS WELL AS PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP;
- (III) 145,000,000 IPO SHARES BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED INSTITUTIONAL AND/OR SELECTED INVESTORS; AND
- (IV) 156,250,000 IPO SHARES BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY, MALAYSIA ("MITI"),

AT AN IPO PRICE OF RM[●] PER IPO SHARE, PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Underwriter and Placement Agent

UOBKayHian

UOB KAY HIAN (M) SDN BHD

(formerly known as UOB Kay Hian Securities (M) Sdn Bhd)

(Registration No.: 199001003423 (194990-K))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

[The SC has [●] the issue, offer or invitation for the offering under Section 214(1) of the Capital Markets and Services Act 2007.]

[This Prospectus has been registered by the SC.] The [●] of the listing of and quotation for our entire enlarged issued share capital on the Main Market and registration of this Prospectus should not be taken to indicate that the SC recommends our IPO or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus. The SC has not, in any way, considered the merits of our shares being offered for investment.

The SC is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss that you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER 6 MONTHS FROM THE DATE OF THIS PROSPECTUS. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 36.

THIS PROSPECTUS IS DATED [●]

All defined terms used in this Prospectus are defined under “Definitions” and “Glossary Terms” of this Prospectus.

RESPONSIBILITY STATEMENTS

OUR DIRECTORS AND PROMOTERS HAVE SEEN AND APPROVED THIS PROSPECTUS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS PROSPECTUS. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE IS NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS PROSPECTUS FALSE OR MISLEADING.

UOBKH, BEING OUR PRINCIPAL ADVISER, UNDERWRITER AND PLACEMENT AGENT IN RELATION TO OUR IPO, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING OUR IPO.

STATEMENTS OF DISCLAIMER

[[●] HAS BEEN OBTAINED FROM BURSA SECURITIES FOR THE LISTING OF AND QUOTATION FOR OUR SHARES. ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF OUR IPO, OUR COMPANY OR OUR SHARES.]

[THIS PROSPECTUS, TOGETHER WITH THE APPLICATION FORMS, HAVE ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES MALAYSIA, WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.]

OTHER STATEMENTS

YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THIS PROSPECTUS THAT IS FALSE, MISLEADING OR FROM WHICH THERE IS A MATERIAL OMISSION, OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

OUR SHARES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING OUR IPO, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

THIS PROSPECTUS HAS BEEN PREPARED IN THE CONTEXT OF AN IPO UNDER THE LAWS OF MALAYSIA, AND OUR IPO WILL NOT BE MADE IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA OR TO PERSONS WHO ARE SUBJECT TO THE LAWS OF ANY COUNTRY OR JURISDICTION OTHER THAN THE LAWS OF MALAYSIA. OUR IPO TO WHICH THIS PROSPECTUS RELATES IS ONLY AVAILABLE TO PERSONS RECEIVING THIS PROSPECTUS ELECTRONICALLY OR OTHERWISE WITHIN MALAYSIA. WE AND OUR PRINCIPAL ADVISER HAVE NOT AUTHORISED AND TAKE NO RESPONSIBILITY FOR THE DISTRIBUTION OF THIS PROSPECTUS (IN PRELIMINARY OR FINAL FORM) OUTSIDE MALAYSIA. ACCORDINGLY, THIS PROSPECTUS MAY NOT BE USED FOR THE PURPOSE OF AND DOES NOT CONSTITUTE AN OFFER FOR SUBSCRIPTION OR PURCHASE OR INVITATION TO SUBSCRIBE OR PURCHASE, ANY SECURITIES UNDER OUR IPO IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IN ANY JURISDICTION OR IN ANY CIRCUMSTANCES IN WHICH SUCH AN OFFER IS NOT AUTHORISED OR LAWFUL OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFER OF OUR IPO SHARES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. PERSONS WHO MAY BE IN POSSESSION OF THIS PROSPECTUS ARE REQUIRED TO INFORM THEMSELVES OF AND TO OBSERVE SUCH RESTRICTIONS.

WE WILL NOT MAKE OR BE BOUND TO MAKE ANY ENQUIRY BEFORE ANY ACCEPTANCE IN RESPECT OF OUR IPO AS TO WHETHER YOU HAVE A REGISTERED ADDRESS IN MALAYSIA. WE WILL NOT ACCEPT ANY LIABILITY WHETHER OR NOT ANY ENQUIRY OR INVESTIGATION IS MADE IN CONNECTION WITH IT. IT IS YOUR SOLE RESPONSIBILITY TO CONSULT YOUR LEGAL AND/OR OTHER PROFESSIONAL ADVISERS AS TO WHETHER OUR IPO WOULD RESULT IN THE CONTRAVENTION OF ANY LAWS OR JURISDICTIONS OTHER THAN MALAYSIA TO WHICH YOU MAY BE SUBJECTED.

FURTHER, IT SHALL ALSO BE YOUR SOLE RESPONSIBILITY TO ENSURE THAT YOUR APPLICATION FOR OUR SHARES WOULD BE IN COMPLIANCE WITH THE TERMS OF OUR IPO AND WOULD NOT BE IN CONTRAVENTION OF ANY LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO WHICH YOU MAY BE SUBJECTED TO. WE WILL FURTHER ASSUME THAT YOU HAD ACCEPTED THIS IPO IN MALAYSIA AND WILL AT ALL APPLICABLE TIMES BE SUBJECTED ONLY TO THE LAWS OF MALAYSIA CONNECTED TO IT.

HOWEVER, WE RESERVE THE RIGHT, IN OUR ABSOLUTE DISCRETION, TO TREAT ANY ACCEPTANCE AS INVALID IF WE BELIEVE THAT SUCH ACCEPTANCE MAY VIOLATE ANY LAW OR APPLICABLE LEGAL OR REGULATORY REQUIREMENTS.

THIS PROSPECTUS IS PREPARED AND PUBLISHED SOLELY FOR OUR IPO IN MALAYSIA UNDER THE LAWS OF MALAYSIA. OUR SHARES ARE ISSUED IN MALAYSIA SOLELY BASED ON THE CONTENTS OF THIS PROSPECTUS. WE AND OUR PRINCIPAL ADVISER HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION, WHICH IS NOT CONTAINED IN THIS PROSPECTUS.

ELECTRONIC PROSPECTUS

THIS PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES' WEBSITE AT www.bursamalaysia.com. THE CONTENTS OF THE ELECTRONIC PROSPECTUS ARE AS PER THE CONTENTS OF THE PROSPECTUS REGISTERED WITH THE SC.

YOU ARE ADVISED THAT THE INTERNET IS NOT A FULLY SECURED MEDIUM AND THAT YOUR INTERNET SHARE APPLICATION IS SUBJECT TO THE RISKS OF PROBLEMS OCCURRING DURING DATA TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES, HACKERS AND CRACKERS, FAULTS WITH COMPUTER SOFTWARE AND OTHER EVENTS BEYOND THE CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS. THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS.

IF YOU DOUBT THE VALIDITY OR THE INTEGRITY OF AN ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM US OR THE ISSUING HOUSE, A PAPER/PRINTED COPY OF THIS PROSPECTUS. IF THERE IS ANY DISCREPANCY BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS FOR ANY REASON WHATSOEVER, THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS WHICH ARE IDENTICAL TO THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SC SHALL PREVAIL.

IN RELATION TO ANY REFERENCE IN THIS PROSPECTUS TO THIRD-PARTY INTERNET SITES (REFERRED TO AS "**THIRD-PARTY INTERNET SITES**"), WHETHER BY WAY OF HYPERLINKS OR BY WAY OF DESCRIPTION OF THE THIRD-PARTY INTERNET SITES, YOU ACKNOWLEDGE AND AGREE THAT:-

- (I) WE AND OUR PRINCIPAL ADVISER DO NOT ENDORSE AND ARE NOT AFFILIATED IN ANY WAY TO THE THIRD-PARTY INTERNET SITES AND ARE NOT RESPONSIBLE FOR THE AVAILABILITY OF, OR THE CONTENT OR ANY DATA, INFORMATION, FILES OR OTHER MATERIAL PROVIDED ON THE THIRD-PARTY INTERNET SITES. YOU SHALL BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD-PARTY INTERNET SITES;
- (II) WE AND OUR PRINCIPAL ADVISER ARE NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD-PARTY INTERNET SITES, PARTICULARLY IN FULFILLING ANY OF THE TERMS OF YOUR AGREEMENTS WITH THE THIRD-PARTY INTERNET SITES. WE AND OUR PRINCIPAL ADVISER ARE ALSO NOT RESPONSIBLE FOR ANY LOSS OR DAMAGE OR COST THAT YOU MAY SUFFER OR INCUR IN CONNECTION WITH OR AS A RESULT OF DEALING WITH THE THIRD-PARTY INTERNET SITES OR THE USE OF OR RELIANCE ON ANY DATA, INFORMATION, FILES OR OTHER MATERIAL PROVIDED BY SUCH PARTIES; AND
- (III) ANY DATA, INFORMATION, FILES OR OTHER MATERIAL DOWNLOADED FROM THE THIRD-PARTY INTERNET SITES IS DONE AT YOUR OWN DISCRETION AND RISK. WE AND OUR PRINCIPAL ADVISER ARE NOT RESPONSIBLE, LIABLE OR UNDER OBLIGATION FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA RESULTING FROM THE DOWNLOADING OF ANY SUCH DATA, INFORMATION, FILES OR OTHER MATERIAL.

WHERE AN ELECTRONIC PROSPECTUS IS HOSTED ON THE WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS, YOU ARE ADVISED THAT:-

- (I) THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS ARE ONLY LIABLE IN RESPECT OF THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS, TO THE EXTENT OF THE CONTENTS OF THE ELECTRONIC PROSPECTUS ON THE WEB SERVERS OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS WHICH MAY BE VIEWED VIA YOUR WEB BROWSER OR OTHER RELEVANT SOFTWARE. THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS ARE NOT RESPONSIBLE IN ANY WAY FOR THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS WHICH HAS BEEN DOWNLOADED OR OBTAINED FROM THE WEB SERVERS OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS AND SUBSEQUENTLY, COMMUNICATED OR DISSEMINATED IN ANY MANNER TO YOU OR OTHER PARTIES; AND
- (II) WHILE ALL REASONABLE MEASURES HAVE BEEN TAKEN TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF AN ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED BECAUSE THE INTERNET IS NOT A FULLY SECURED MEDIUM.

THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS ARE NOT LIABLE (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COST, YOU OR ANY OTHER PERSON MAY SUFFER OR INCUR DUE TO, AS A CONSEQUENCE OF OR IN CONNECTION WITH ANY INACCURACIES, CHANGES, ALTERATIONS, DELETIONS OR OMISSIONS IN RESPECT OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS WHICH MAY ARISE IN CONNECTION WITH OR AS A RESULT OF ANY FAULTS WITH WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULTS ON YOUR OR ANY THIRD-PARTY'S PERSONAL COMPUTER, OPERATING SYSTEM OR OTHER SOFTWARE, VIRUSES OR OTHER SECURITY THREATS, UNAUTHORISED ACCESS TO INFORMATION OR SYSTEMS IN RELATION TO THE WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS, AND/OR PROBLEMS OCCURRING DURING DATA TRANSMISSION WHICH MAY RESULT IN INACCURATE OR INCOMPLETE COPIES OF INFORMATION BEING DOWNLOADED OR DISPLAYED ON YOUR PERSONAL COMPUTER.

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INDICATIVE TIMETABLE

The indicative timetable for our IPO is set out below:-

Event	Date
Issuance of the Prospectus/Opening of Applications	10.00 a.m., [date]
Closing of Applications	5.00 p.m., [date]
Balloting of Applications	[date]
Allotment of our IPO Shares to successful applicants	[date]
Listing on the Main Market	[date]

Late Applications will not be accepted. In the event there is any changes to this timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia, and make an announcement of such changes on Bursa Securities' website accordingly.

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DEFINITIONS

The following terms in this Prospectus have the same meaning as set out below unless the term is defined otherwise or the context requires otherwise:-

“ACCA”	: Association of Chartered Certified Accountants
“Acquisition of SASB”	: Acquisition by Stratus Global of the entire issued share capital of SASB comprising 4,468,650 ordinary shares from the vendors, namely Jiyuan, Beh Lai Lien, Ryo Narisawa, Tan Chan Chin, Lai Siaw Ling, Masuko Narisawa, Ooi Eng Guan, Wong Pow Keong and Yap Kim Seng for a purchase consideration of RM192,151,950, which was fully satisfied through the issuance of 893,730,000 new Shares at an issue price of RM0.215 per Share. The Acquisition of SASB was completed on 11 November 2025
“Act”	: Companies Act 2016 of Malaysia
“ADA(s)”	: Authorised Depository Agent(s)
“AGM”	: Annual general meeting
“Application(s)”	: The application(s) for our IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
“Application Form(s)”	: Application form(s) for the Application of our IPO Shares accompanying this Prospectus
“ATM(s)”	: Automated teller machine(s)
“Authorised Financial Institution(s)”	: Authorised financial institution(s) participating in the Internet Share Application in respect of the payments for our IPO Shares
“Bayan Lepas Facility”	: Collectively, Bayan Lepas Factory 1 and Bayan Lepas Factory 2
“Bayan Lepas Factory 1”	: Our current operating facility of 1 unit of 2-storey factory constructed on an industrial leasehold land located at No. 73-C, Lintang Bayan Lepas, Taman Perindustrian Bayan Lepas, 11900 Bayan Lepas, Penang, Malaysia
“Bayan Lepas Factory 2”	: Our current operating facility of 1 unit of 4-storey factory constructed on an industrial leasehold land located at No. 73-C, Lintang Bayan Lepas, Taman Perindustrian Bayan Lepas, 11900 Bayan Lepas, Penang, Malaysia
“Board”	: Board of Directors of Stratus Global
“Bumiputera”	: In the context of:- <ul style="list-style-type: none"> (i) individuals - Malays and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia; (ii) companies - companies which fulfil, amongst others, the following criteria or such other criteria as may be imposed by the MITI:- <ul style="list-style-type: none"> (a) established under the Act; (b) its shareholders are 100.0% Bumiputera; and

DEFINITIONS (CONT'D)

	(c) its board of directors (including its staff) are at least 51.0% Bumiputera; and
	(iii) co-operatives - cooperatives whose shareholders or cooperative members are at least 95.0% Bumiputera or such other criteria as may be imposed by the MITI
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
“CAGR”	: Compound annual growth rate
“CCC” or “CF”	: Certificate of completion and compliance or certificate of fitness for occupation or occupancy permit or such certificate by any other name or permit issued by the relevant authority in Malaysia under the relevant legislation applicable at the material time
“CDS”	: Central Depository System
“CDS Account(s)”	: Securities account(s) established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
“CEO”	: Chief executive officer
“CMSA”	: Capital Markets and Services Act 2007
“Constitution”	: Constitution of our Company
“COO”	: Chief operating officer
“Director(s)”	: Director(s) of our Company and within the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
“EBITDA”	: Earnings before interest, taxation, depreciation and amortisation
“Electronic Prospectus”	: A copy of this Prospectus that is issued, circulated or disseminated via the Internet and/or an electronic storage medium, including but not limited to compact disc read-only memory (CD-ROMs)
“Electronic Share Application(s)”	: Application(s) for the IPO Shares through a Participating Financial Institution’s ATM
“Eligible Person(s)”	: Eligible Directors and employees of our Group as well as persons who have contributed to the success of our Group, who are eligible to participate in the Pink Form Allocation
“EPF”	: Employees Provident Fund
“EPS”	: Earnings per Share
“Equity Guidelines”	: Equity Guidelines issued by the SC
“ESG”	: Environment, Social and Governance

DEFINITIONS (CONT'D)

“financial years under review”	:	Collectively, the FYE 2023, FYE 2024 and FYE 2025
“FYE”	:	Financial year ended/ending 31 March, as the case may be
“GP”	:	Gross profit
“IMR” or “ZANDER”	“SMITH	: Smith Zander International Sdn Bhd (Registration No.: 201301028298 (1058128-V)), the independent market researcher appointed for our IPO
“IMR Report”	:	Independent market research report on the global semiconductor industry and AMHS segment within the semiconductor industry prepared by SMITH ZANDER, as set out in Section 7 of this Prospectus
“Internet Participating Financial Institution(s)” or “Participating Securities Firm(s)”	:	Participating financial institution(s) or participating securities firm(s) for the Internet Share Application
“Internet Share Application(s)”	:	Application(s) for the IPO Shares through an Internet Participating Financial Institution or Participating Securities Firm
“IPO”	:	Initial public offering comprising the Public Issue
“IPO Price”	:	The issue price of RM[●] per IPO Share
“IPO Share(s)”	:	356,250,000 new Stratus Global Share(s) to be issued pursuant to the Public Issue
“ISO”	:	International Organisation for Standardisation
“Issuing House” or “Share Registrar”	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No.: 197101000970 (11324-H))
“Jiyuan”	:	Jiyuan Holding Sdn Bhd (Registration No.: 201901000016 (1309342-U))
“Listing”	:	Admission of our Company to the Official List and the listing of and quotation for the entire enlarged issued share capital of Stratus Global comprising 1,250,000,000 Shares on the Main Market
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	[17 November 2025], being the latest practicable date prior to the registration of this Prospectus with the SC
“MAICSA”	:	Malaysian Institute of Chartered Secretaries and Administrators
“Main Market”	:	Main Market of Bursa Securities
“Malaysian Public”	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia

DEFINITIONS (CONT'D)

“Market Day(s)”	: Day(s) on which Bursa Securities is open for trading of securities, which may include a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
“MCCG”	: Malaysian Code on Corporate Governance issued by the SC
“MFRS”	: Malaysian Financial Reporting Standards as issued by the Malaysian Accounting Standards Board
“MIA”	: Malaysian Institute of Accountants
“MITI”	: Ministry of Investment, Trade and Industry, Malaysia
“Moratorium Provider(s)”	: Collectively or individually, Jiyuan, Ryo Narisawa, Beh Lai Lien, Tan Chan Chin, Beh Yong Yee and Lai Siaw Ling, whose Shares are subject to moratorium under the Equity Guidelines
“NA”	: Net assets
“New Facility”	: A new manufacturing facility with a built-up area of at least 170,000 sq ft to be established on the New Property
“New Property”	: An industrial property with a land area of at least 2 acres located in Bayan Lepas or Batu Kawan, Penang, to be acquired by our Group
“Official List”	: A list specifying all securities listed on Bursa Securities
“Participating Financial Institution(s)”	: Participating financial institution(s) for the Electronic Share Application
“PAT”	: Profit after taxation
“PBT”	: Profit before taxation
“Pink Application Form(s)”	: Application form(s) for the application of IPO Shares by Eligible Person(s) accompanying this Prospectus
“Pink Form Allocation”	: Allocation of the Pink Form Shares
“Pink Form Share(s)”	: 30,000,000 IPO Share(s), representing 2.4% of our enlarged number of issued Shares, reserved for Application by Eligible Persons (which forms part of the Public Issue)
“Pre-IPO Restructuring”	: The Acquisition of SASB. Further details of which are set out in Section 5.4 of this Prospectus
“Promoter(s)”	: Collectively or individually, Ryo Narisawa, Jiyuan, Beh Lai Lien and Tan Chan Chin
“Prospectus”	: This prospectus dated [date] issued by our Company in respect of our IPO
“Prospectus Guidelines”	: Prospectus Guidelines issued by the SC

DEFINITIONS (CONT'D)

“Public Issue”	: Public issue of 356,250,000 IPO Shares at the IPO Price, allocated in the following manner:-
	(i) 25,000,000 IPO Shares for application by the Malaysian Public through a balloting process, of which 12,500,000 IPO Shares will be set aside for Bumiputera investors, which include individuals, companies, societies, co-operatives and institutions;
	(ii) 30,000,000 IPO Shares for application by Eligible Persons;
	(iii) 145,000,000 IPO Shares by way of private placement to identified institutional and/or selected investors; and
	(iv) 156,250,000 IPO Shares by way of private placement to identified Bumiputera investors approved by the MITI
“QA/QC”	: Quality assurance and quality control
“R&D”	: Research and development
“Rules of Bursa Depository”	: The rules of Bursa Depository issued under the SICDA
“SC”	: Securities Commission Malaysia
“SICDA”	: Securities Industry (Central Depositories) Act 1991
“SOCISO”	: Social Security Organisation
“Stratus Global” or our “Company”	: Stratus Global Holdings Berhad (Registration No.: 202501019963 (1621376-M))
“Stratus Global Group” or the “Group”	: Collectively, Stratus Global and our subsidiaries
“Stratus Global Share(s)” or “Share(s)”	: Ordinary share(s) in our Company
“Underwriting Agreement”	: Underwriting agreement dated [date] entered into between our Company and the Underwriter to underwrite 25,000,000 IPO Shares under the Malaysian Public portion as set out in Section 3.2.1(i) of this Prospectus and 30,000,000 Pink Form Shares under the Pink Form Allocation as set out in Section 3.2.1(ii) of this Prospectus
“UOBKH” or “Principal Adviser” or “Underwriter” or “Placement Agent”	: UOB Kay Hian (M) Sdn Bhd (formerly known as UOB Kay Hian Securities (M) Sdn Bhd) (Registration No.: 199001003423 (194990-K))
“USA”	: The United States of America
“Voluntary Moratorium Shareholder(s)”	: Collectively or individually, Masuko Narisawa, Ooi Eng Guan, Wong Pow Keong and Yap Kim Seng
“White Application Form(s)”	: Application form(s) for the application of the IPO Shares by the Malaysian Public accompanying this Prospectus

DEFINITIONS (CONT'D)

Currencies and units:-

“EUR”	: Euro
“JPY”	: Japanese yen
“mm”	: millimetre
“NTD”	: New Taiwan dollar
“RM” and “sen”	: Ringgit Malaysia and sen
“RMB”	: Renminbi
“SGD”	: Singapore dollar
“sq ft”	: Square feet
“USD”	: United States dollar

Our subsidiaries:-

“SACO”	: Stratus Automation Corporation (USA registration No.: 602-585-301)
“SAPL”	: Stratus Automation Pte Ltd (Singapore registration No.: 202124353N)
“SASB”	: Stratus Automation Sdn Bhd (Registration No.: 201601013422 (1184353-T))

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DEFINITIONS (CONT'D)

Our customers:-

For the avoidance of doubt, our Group had sought the consent of the following customer(s) for disclosure of the information required in this Prospectus but such consent had not been granted.

The following are details of our customer(s). For confidentiality purposes, their names have been redacted throughout this Prospectus.

“Customer A Group” : Customer A Group comprises Customer A1, Customer A2, Customer A3 and Customer A4.

Customer A4 is the holding company of Customer A1, Customer A2 and Customer A3. Customer A4 is a company incorporated in Germany and is listed on Frankfurt Stock Exchange and OTCQX International Premier. Customer A4 and its subsidiaries (including Customer A1, Customer A2 and Customer A3) are principally involved in the development, manufacturing and marketing of a variety of semiconductors and semiconductor-based solutions. Customer A4 group of companies had recorded a total revenue of EUR14.66 billion for its latest financial year ended 30 September 2025.

Customer A1, Customer A2 and Customer A3 are companies incorporated in Malaysia, Germany and Austria respectively. Customer A1, Customer A2 and Customer A3 are not listed on any stock exchange. The total revenues for Customer A1, Customer A2 and Customer A3 in their latest financial years are not publicly available.

“Customer B” : Customer B is a company incorporated in Singapore and is principally involved in the provision of semiconductor fabrication solutions. Customer B is a joint venture company of Company B1 and Company B2 and is not listed on any stock exchange. The total revenue for Customer B in its latest financial year is not publicly available.

Company B1 is a company incorporated in the Netherlands and is listed on the NASDAQ Global Select Market. Company B1 is principally involved in the supply of semiconductor products, including microcontrollers, application processors, communication processors, connectivity chipsets, analog and interface devices, radio frequency power amplifiers, security controllers and sensors. Company B1 group of companies recorded a total revenue of USD12.61 billion for its latest financial year ended 31 December 2024.

Company B2 is a company incorporated in Taiwan and is listed on the Taiwan Stock Exchange and its American Depositary Shares are traded on the New York Stock Exchange. Company B2 is principally involved in the provision of integrated semiconductor foundry services. Company B2 group of companies recorded a total revenue of NTD2.89 trillion for its latest financial year ended 31 December 2024.

“Customer C” : Customer C is a company incorporated in Malaysia and is principally involved in the semiconductor wafer manufacturing. Customer C is not listed on any stock exchange. The total revenue for Customer C in its latest financial year is not publicly available.

Customer C is a subsidiary of Company C1, a company incorporated in Belgium and is listed on Euronext Paris. Company C1 is principally involved in the provision of semiconductor foundry services, specialising in analog/mixed-signal semiconductor technologies. Company C1 group of companies recorded a total revenue of USD816.38 million for its latest financial year ended 31 December 2024.

DEFINITIONS (CONT'D)

- “Customer D Group” : Customer D Group comprises Customer D1 and Customer D2.
- Customer D1 is the holding company of Customer D2. Customer D1 is a company incorporated in Germany and is principally involved in the automation of material flows and handling processes in semiconductor factories, semiconductor process plants and other high-tech production environments. Customer D1 is not listed on any stock exchange. The total revenue of Customer D1 in its latest financial year is not publicly available.
- Customer D2 is a company incorporated in the USA and is principally involved in the automation of material flows and handling processes in semiconductor factories, semiconductor process plants and other high-tech production environments. Customer D2 is not listed on any stock exchange. The total revenue of Customer D2 in its latest financial year is not publicly available.
- “Customer E” : Customer E is a company incorporated in Malaysia and is principally involved in the sale of light-emitting diode (“**LED**”) solutions, optical sensor solutions and optical technologies. Customer E is not listed on any stock exchange. The total revenue for Customer E in its latest financial year is not publicly available.
- Customer E is a subsidiary of Company E1, a company incorporated in Austria and is listed on the SIX Swiss Exchange. Company E1 is principally involved in the design, manufacture and sale of LED solutions for automotive and industrial applications as well as of optical sensor solutions for the automotive, industrial, medical technology and consumer end user markets. It is also involved in the provision of optical technologies and solutions for sensors, lighting and visualisation. Company E1 group of companies recorded a total revenue of EUR3.43 billion for its latest financial year ended 31 December 2024.
- “Customer F Group” : Customer F Group comprises Customer F1 and Customer F2.
- Customer F1 is the holding company of Customer F2. Customer F1 is a company incorporated in Japan and is listed on the Tokyo Stock Exchange. Customer F1 is principally involved in the plant and energy, energy solutions, industrial machinery, electronics, automotive, healthcare as well as aviation and infrastructure industries. Customer F1 group of companies recorded a total revenue of JPY221.76 billion for its latest financial year ended 31 March 2025.
- Customer F2 is a company incorporated in Malaysia and is principally involved in the provision of industrial machinery, electronics, plant and energy infrastructure and maintenance services, and healthcare industry equipment. Customer F2 is not listed on any stock exchange. The total revenue for Customer F2 in its latest financial year is not publicly available.

DEFINITIONS (CONT'D)

- “Customer G” : Customer G is a company incorporated in Malaysia and is principally involved in the manufacturing, marketing and sale of data storage devices and solutions. Customer G is not listed on any stock exchange. The total revenue for Customer G in its latest financial year is not publicly available.
- Customer G is a subsidiary of Company G1, a company incorporated in the USA and is listed on NASDAQ Global Select Market. Company G1 is principally involved in the development, manufacturing and provision of data storage devices and solutions based on hard disk drive technologies. Company G1 group of companies recorded a total revenue of USD9.52 billion for its latest financial year ended 27 June 2025.
- “Customer H Group” : Customer H Group comprises Customer H1 and Customer H2.
- Customer H1 is a company incorporated in Malta and is principally involved in the production, packaging and testing of advanced chip packages. Customer H1 is not listed on any stock exchange. The total revenue for Customer H1 in its latest financial year is not publicly available.
- Customer H2 is a company incorporated in Singapore and is principally involved in semiconductor wafer manufacturing and research and development activities. Customer H2 is not listed on any stock exchange. The total revenue for Customer H2 in its latest financial year is not publicly available.
- Customer H1 and Customer H2 are subsidiaries of Company H3, a company incorporated in the Netherlands and is listed on Euronext Paris, the New York Stock Exchange, and Borso Italiana. Company H3 is principally involved in the design, development, manufacturing and marketing of a broad range of semiconductor products. Company H3 group of companies recorded a total revenue of USD13.27 billion for its latest financial year ended 31 December 2024.
- “Customer I” : Customer I is a company incorporated in China and is principally involved in provision of AMHS solutions and core components for semiconductor manufacturing. Company I is not listed on any stock exchange. The total revenue for Customer I in its latest financial year is not publicly available.

GLOSSARY TERMS

The following commonly used terms in our Group's business and operations shall apply throughout this Prospectus unless the term is defined otherwise or the context otherwise requires:-

"AI"	: Artificial intelligence
"AMHS"	: Automated material handling system
"ASRS"	: Automated storage and retrieval system
"carrier(s)"	: A container used to carry and transport goods and/or materials within an AMHS
"CE standards"	: A certification mark indicating that a product complies with the health, safety and environmental protection requirements set out in European Union legislation, allowing it to be sold within the European Economic Area
"cleanroom"	: A controlled space in which there is limited presence of dust and other particle contaminants
"CNC"	: Computer numerical control CNC machines are used to carry out CNC machining, in which a computer programme is used to control and automate the movement and precision of the machine for the fabrication of parts
"components"	: Units of assembled AMHS hardware
"E&E"	: Electrical and electronic
"FOUP"	: Front opening unified pods
"I/O"	: Input and output
"I/O ports"	: Input and output ports Designated ports within a process tool where goods and/or materials are transacted (i.e. input for processing and generated as output) by an AMHS
"IC(s)"	: Integrated circuits (i.e. semiconductor) An assembly and integration of semiconductor components on a single thin semiconductor material known as a semiconductor wafer
"IDM(s)"	: Integrated device manufacturers Companies which own brands or intellectual property for various electronic devices and whose principal activities encompass the design, manufacturing, assembly, packaging and testing of semiconductor products
"IT"	: Information technology
"OHT"	: Overhead hoist transport
"OSAT(s)"	: Outsourced semiconductor assembly and test companies Companies specialised in the segment of semiconductor assembly, packaging and testing
"parts"	: Pieces of machinery or equipment which are assembled to form a component of AMHS

GLOSSARY TERMS (CONT'D)

“process tool”	:	A manufacturing tool within a manufacturing line in which goods and/or materials undergo processing
“SEMI”	:	Semiconductor Equipment and Materials International
“SEMI standards”	:	International technical standards developed by SEMI that establish uniform guidelines for the design, safety, performance, communication and interoperability of semiconductor manufacturing equipment, materials and processes
“semiconductor”	:	A material that has electrical conductivity properties and forms an essential component for electronic devices. Semiconductors support the needs of various industries such as consumer electronics, information and communications technology, telecommunications, automotive, healthcare as well as manufacturing
“SMIF”	:	Standard mechanical interface pod
“TCS”	:	Transport control software The software system developed to automate, control and manage the operation of our AMHS solutions
“wafer”	:	A thin, circular slice of a semiconductor material, such as silicon, that serves as the substrate for manufacturing ICs
“WIP”	:	Work-in-progress

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PRESENTATION OF INFORMATION

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include natural persons, firms, companies, body corporates and corporations.

References in this Prospectus to any provisions of statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force. References to a time of day in this Prospectus shall be a reference to Malaysian time, unless otherwise stated.

References to “**our Company**” or “**the Company**” or “**Stratus Global**” in this Prospectus are made to Stratus Global Holdings Berhad (Registration No.: 202501019963 (1621376-M)), references to “**our Group**” or “**the Group**” or “**Stratus Global Group**” are made to our Company and our subsidiaries and references to “**we**” or “**us**” or “**our**” or “**ourselves**” are made to our Company, and where the context requires, our Group. Unless the context otherwise requires, references to “**management**” are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our management.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the industry in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information is originated from us or is extracted or derived from report(s) provided by the IMR for inclusion in this Prospectus. We have appointed the IMR to provide an independent market and industry review relating to an overview of the economy and industry in which we operate in. In compiling their data for the review, the IMR relied on its research methodology, industry sources, published materials, its private databanks and direct contacts within the industry. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate. However, neither we nor our advisers have independently verified these data. Neither we nor our advisers make any representation as to the correctness, accuracy or completeness of such data. Similarly, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We give no assurance that the projected figures will be achieved. You should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

The information on our website or any website directly or indirectly linked to our website does not form part of this Prospectus and you should not rely on such information for the purposes of your decision whether or not to invest in our Shares. If there is any discrepancy between the contents of such websites relating to our Group and the Prospectus, the information contained in this Prospectus shall prevail.

Any discrepancy in the tables between the amounts listed and the totals in this Prospectus are due to rounding.

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FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives of our management for future operations are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements, or industry results expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our management's current view with respect to future events and do not guarantee future performance.

Forward-looking statements can be identified by the use of forward-looking terminologies such as the words “**expect**”, “**believe**”, “**plan**”, “**intend**”, “**estimate**”, “**anticipate**”, “**aim**”, “**forecast**”, “**may**”, “**will**”, “**would**”, “**could**” or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:-

- (i) demand for our products and services;
- (ii) our business strategies and potential growth opportunities;
- (iii) our management's plans and objectives for future operations;
- (iv) our future financial position, earnings, cash flows and liquidity;
- (v) our ability to pay future dividends; and
- (vi) regulatory environment and effects of future regulation.

Our actual results may differ materially from information contained in the forward-looking statements as a result of a number of factors beyond our control, including, without limitation:-

- (i) general economic, business, social, political and investment environment in Malaysia and in countries where we source our services and globally;
- (ii) government policy, legislation or regulation;
- (iii) interest rates, tax rates and exchange rates;
- (iv) competitive environment of the industry in which we operate;
- (v) reliance on approvals, licenses and permits;
- (vi) availability and fluctuations in prices of travel-related services such as flights, accommodation and overseas ground travel services;
- (vii) fixed and contingent obligations and commitments; and
- (viii) any other factors beyond our control.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to those discussed in **Section 4** of this Prospectus on risk factors and **Section 11.3** of this Prospectus on management's discussion and analysis of financial condition and results of operations. Due to these and other uncertainties, we cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are based on information made available to us as at the LPD.

In light of these uncertainties, the inclusion of such forward-looking statements should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.

Should we become aware of any subsequent material change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment of IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).

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CORPORATE DIRECTORY**DIRECTORS**

Name/(Designation)	Gender	Address	Nationality
Fazrin Azwar Bin Md. Nor <i>(Independent Non-Executive Chairman)</i>	Male	No. 23, Jalan BRP 3/3B, Sunway Rahman Putra, 40160 Sungai Buloh, Selangor Darul Ehsan	Malaysian
Ryo Narisawa <i>(Executive Director / CEO)</i>	Male	1C-8-3A, SummerSkye Residence, Jalan Sungai Tiram 8, 11900 Bayan Lepas, Pulau Pinang	Japanese
Tan Chan Chin <i>(Executive Director / COO)</i>	Male	No. 239, Pekan Teroi, 08800 Gurun, Kedah Darul Aman	Malaysian
Teh Su-Ching <i>(Independent Non-Executive Director)</i>	Female	31 Jalan K7, Amberhill, Taman Melawati, 53100 Kuala Lumpur	Malaysian
Samivel A/L Krishnamoorthy <i>(Independent Non-Executive Director)</i>	Male	166, Lorong Merawan 5/3, Taman Merawan, 09000 Kulim, Kedah Darul Aman	Malaysian
Tan Ming-li <i>(Independent Non-Executive Director)</i>	Female	A3-5B Astana Damansara 33, Jalan 17/1, 46400 Petaling Jaya, Selangor Darul Ehsan	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Teh Su-Ching	Chairperson	Independent Non-Executive Director
Samivel A/L Krishnamoorthy	Member	Independent Non-Executive Director
Tan Ming-li	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Samivel A/L Krishnamoorthy	Chairperson	Independent Non-Executive Director
Teh Su-Ching	Member	Independent Non-Executive Director
Tan Ming-li	Member	Independent Non-Executive Director

CORPORATE DIRECTORY (CONT'D)

NOMINATION COMMITTEE

Name	Designation	Directorship
Tan Ming-li	Chairperson	Independent Non-Executive Director
Samivel A/L Krishnamoorthy	Member	Independent Non-Executive Director
Teh Su-Ching	Member	Independent Non-Executive Director

SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Teh Su-Ching	Chairperson	Independent Non-Executive Director
Ryo Narisawa	Member	Executive Director / CEO
Samivel A/L Krishnamoorthy	Member	Independent Non-Executive Director
Tan Ming-li	Member	Independent Non-Executive Director

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CORPORATE DIRECTORY (CONT'D)

COMPANY SECRETARIES : Ooi Ean Hoon

Professional : Chartered Secretary
qualifications MAICSA (MAICSA No.: 7057078)
(SSM Practicing Certificate No.: 202008000734)

How Wee Ling

Professional : Chartered Secretary
qualifications MAICSA (MAICSA No.: 7033850)
(SSM Practicing Certificate No.: 202008000869)

57-G Persiaran Bayan Indah
Bayan Bay, Sungai Nibong
11900 Bayan Lepas
Pulau Pinang

Tel : (04) 640 8933

Fax : (04) 643 8911

REGISTERED OFFICE : 57-G Persiaran Bayan Indah
Bayan Bay, Sungai Nibong
11900 Bayan Lepas
Pulau Pinang

Tel : (04) 640 8933

Fax : (04) 643 8911

HEAD OFFICE : Plot 73-C, Lintang Bayan Lepas
Bayan Lepas Industrial Park, Phase 4
11900 Bayan Lepas
Pulau Pinang

Tel : (04) 638 3131

Website : www.stratusauto.com

Email : investor.relations@stratusauto.com

AUDITORS AND REPORTING : Crowe Malaysia PLT
ACCOUNTANTS

(Registration No.: 201906000005 (LLP0018817-LCA) & AF 1018)

Level 6, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 George Town
Pulau Pinang

Tel : (04) 227 7061

Partner in charge : Eddy Chan Wai Hun

Professional : Chartered Accountant of MIA and Malaysian
qualifications Institute of Certified Public Accountant
(Approval No.: 02182/10/2027 J)

CORPORATE DIRECTORY (CONT'D)

LEGAL ADVISER	: Wong Beh & Toh 1 st Floor, Nos. 173 & 174 Jalan Kelab Cinta Sayang Taman Ria Jaya 08000 Sungai Petani, Kedah Darul Aman Tel : (04) 442 9081
PRINCIPAL ADVISER, UNDERWRITER AND PLACEMENT AGENT	: UOB Kay Hian (M) Sdn Bhd (formerly known as UOB Kay Hian Securities (M) Sdn Bhd) Suite 19.03, 19 th Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Wilayah Persekutuan Tel : (03) 2147 1888 Fax : (03) 2147 1950
INDEPENDENT RESEARCHER	MARKET : Smith Zander International Sdn Bhd 15-01, Level 15, Menara MBMR 1, Jalan Syed Putra 58000 Kuala Lumpur Wilayah Persekutuan Tel : (03) 2732 7537 Managing Partner : Dennis Tan Tze Wen Professional qualification : Bachelor of Science from Memorial University of Newfoundland, Canada
INTERNAL REVIEWER	CONTROL : Sterling Business Alignment Consulting Sdn Bhd Unit C3A02, Level 3A Lobby 1, Block C, Damansara Intan No. 1, Jalan SS20/27, Petaling Jaya 47400 Selangor Darul Ehsan Tel : (03) 7662 8010 / (03) 7612 8609 Fax : (03) 7612 8610
ISSUING HOUSE AND SHARE REGISTRAR	: Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3 Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur Wilayah Persekutuan Tel : (03) 2783 9299
LISTING SOUGHT	: Main Market

1. INTRODUCTION**1.1 Approvals and conditions**

We have obtained the approvals from the following authorities in relation to our Listing:-

1.1.1 SC

The SC had, vide its letter dated [date], [●] our IPO and our Listing under Section 214(1) of the CMSA, subject to compliance with the following conditions:-

Details of conditions imposed	Status of compliance
(i) [●]	[●]

The SC had, vide the same letter dated [date], [●] our application under the Bumiputera equity requirement for public listed companies, subject to compliance with the following conditions:-

Details of conditions imposed	Status of compliance
(i) [●]	[●]

1.1.2 Bursa Securities

Bursa Securities had, vide its letter dated [date], [●] our admission to the Official List and the listing of and quotation for our entire enlarged issued share capital comprising 1,250,000,000 Shares on the Main Market under Paragraph 3.02 of the Listing Requirements, subject to the following conditions:-

Details of conditions imposed	Status of compliance
(i) [●]	[●]

1.1.3 MITI

The MITI had, via its letter dated [date], taken note and has no [●] to our Listing.

1.2 Moratorium on our Shares

Pursuant to Paragraph 5.29(a), Part II of the Equity Guidelines, our Shares directly held by the Moratorium Providers as at the date of our Listing are subject to moratorium for a period of 6 months from the date of our Listing. The Moratorium Providers have provided written undertaking letters to the SC that they will not sell, transfer or assign any of their respective shareholdings as at the date of our Listing for a period of 6 months from the date of our Listing.

In addition, the Voluntary Moratorium Shareholders have also provided written undertaking letters to the SC that they will not sell, transfer or assign any of their respective shareholdings as at the date of our Listing for a period of 6 months from the date of our Listing.

1. INTRODUCTION (CONT'D)

The details of our Shares that will be placed under moratorium are set out below:-

	No. of Shares to be held under moratorium	(1)%
<u>Moratorium Providers</u>		
Ryo Narisawa	38,240,600	3.06
Jiyuan	520,000,000	41.60
Beh Lai Lien	114,856,800	9.19
Tan Chan Chin	66,106,600	5.29
Beh Yong Yee	1,500,000	0.12
Lai Siaw Ling	54,003,000	4.32
<u>Voluntary Moratorium Shareholders</u>		
Masuko Narisawa	45,632,400	3.65
Ooi Eng Guan	24,036,000	1.92
Wong Pow Keong	24,036,000	1.92
Yap Kim Seng	12,838,600	1.03

Note:-

(1) Based on our enlarged issued share capital comprising 1,250,000,000 Shares after our IPO.

The above moratorium, which is fully acknowledged and accepted by the Moratorium Providers and Voluntary Moratorium Shareholders, will be specifically endorsed on the share certificates representing the entire shareholdings of the Moratorium Providers and Voluntary Moratorium Shareholders to ensure that our Share Registrar does not register any sale, transfer or assignment that contravenes the above moratorium restrictions. In compliance with the moratorium restrictions, Bursa Depository will, on our Share Registrar's instructions in the prescribed forms, ensure that the trading of these Shares is not permitted during the moratorium period.

Pursuant to Paragraph 5.30, Part II of the Equity Guidelines, where the shareholders whose securities are subject to moratorium are entities which are not listed, all direct and indirect holders of these entities, if they are individuals or other entities which are not listed up to the ultimate individual holders must provide undertakings to the SC that they will not sell, transfer or assign any of their respective holdings in the entities which are not listed for a period of 6 months from the date of our Listing.

In view of the above, the direct shareholders of Jiyuan, namely Ryo Narisawa and Beh Lai Lien will not be allowed to sell, transfer or assign any part of their respective shareholdings in Jiyuan for a period of 6 months from the date of our Listing.

2. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

2.1 Principal details of our IPO

Our IPO comprises the following:-

(i) Public Issue

356,250,000 IPO Shares at the IPO Price, allocated in the following manner:-

- (a) 25,000,000 IPO Shares for Application by the Malaysian Public through a balloting process, of which 12,500,000 IPO Shares will be set aside for Bumiputera investors, which include individuals, companies, societies, co-operatives and institutions;
- (b) 30,000,000 IPO Shares for Application by our Eligible Persons;
- (c) 145,000,000 IPO Shares by way of private placement to identified institutional and/or selected investors; and
- (d) 156,250,000 IPO Shares by way of private placement to identified Bumiputera investors approved by the MITI

(ii) Moratorium on our Shares

Pursuant to Paragraph 5.29(a), Part II of the Equity Guidelines, our Shares directly held by the Moratorium Providers as at the date of our Listing are subject to moratorium for a period of 6 months from the date of our Listing. The Moratorium Providers have provided written undertaking letters to the SC that they will not sell, transfer or assign any of their respective shareholdings as at the date of our Listing for a period of 6 months from the date of our Listing.

In addition, the Voluntary Moratorium Shareholders have also provided written undertaking letters to the SC that they will not sell, transfer or assign any of their respective shareholdings as at the date of our Listing for a period of 6 months from the date of our Listing. Further details on the moratorium are set out in **Section 1.2** of this Prospectus.

Based on our IPO Price of RM[●] per IPO Share and our enlarged issued share capital comprising 1,250,000,000 Shares, our market capitalisation upon Listing is RM[●].

Please refer to **Section 3** of this Prospectus for further information on our IPO.

2.2 History and business

Our Company was incorporated in Malaysia on 7 May 2025 under the Act as a private limited company under the name of Stratus Global Holdings Sdn Bhd. On 25 November 2025, our Company was converted into a public limited company and assumed our present name.

Our principal activity is investment holding whilst our subsidiaries are principally involved in the provision of factory automation solutions, specialising in cleanroom AMHS solutions.

Please refer to **Sections 5.2** and **6** of this Prospectus for further information on our history and business respectively.

2. PROSPECTUS SUMMARY (CONT'D)

The business model of our Group is summarised in the diagram below:-

Principal activities	Cleanroom AMHS solutions specialist		
Solutions	Conveyor-based AMHS	Hybrid AMHS	ASRS
Customers	Primarily front-end semiconductor production companies (i.e. IDMs and semiconductor foundries) as well as back-end semiconductor production companies (i.e. IDMs and OSATs)		
Geographical markets	<ul style="list-style-type: none"> • Asia (comprising Malaysia and other Asian countries) • Europe • North America 		

2.3 Competitive strengths

Our competitive strengths are summarised as follows:-

2.3.1 We have a well-established history and track record of 27 years in the AMHS segment

We have an established operating history and track record of 27 years in the AMHS segment since the commencement of our business operations in 1998. Over the years, we have built a strong track record in the design, fabrication, installation and commissioning of cleanroom AMHS solutions, as evidenced by the growth of our business operations and the expansion of our international customer base. Our long-standing presence in the AMHS segment has also enabled us to broaden our solutions portfolio from cleanroom conveyor-based AMHS to include ASRS and hybrid AMHS as well as our proprietary TCS, allowing us to address a wider range of customer requirements. Following our relocation to Penang, Malaysia in 2016, our Group continued to demonstrate strong execution and scalability with our revenue growing from RM145.92 million in the FYE 2023 to RM220.27 million in the FYE 2025, reflecting our ability to secure projects of increasing scale and complexity and to support customers across multiple geographical markets.

2.3.2 Our strong R&D and engineering capabilities have led to the development of a suite of automation solutions for the semiconductor industry

We have undertaken continuous R&D activities since the commencement of our business in 1998. As a result of our continuous R&D efforts and accumulated engineering expertise, our Group has successfully developed a suite of proprietary AMHS solutions, including conveyor-based AMHS, hybrid AMHS and ASRS. We have also developed our proprietary TCS which automates, controls and manages the operation of our AMHS solutions. Our R&D activities are underpinned by our in-house engineering and technical capabilities, which enable us to refine our existing solutions and develop new offerings in response to evolving requirements within the semiconductor industry. The adaptability and resilience of our engineering and technical abilities are fundamental to our sustained growth and position us to remain competitive and sustainable over the long term.

2.3.3 We have a portfolio of overseas customers and multinational companies in the semiconductor industry and have established long standing relationships with our major customers

Over the course of our 27 years of business in the AMHS segment, we have primarily served multinational customers within the front-end semiconductor industry. Building on this foundation and our growing industry presence, we began to expand our customer base to include customers in the back-end semiconductor industry. This expansion has also allowed our Group to support our customers across a broader range of semiconductor production activities and strengthen our relationships with customers across different segments of the semiconductor value chain.

2. PROSPECTUS SUMMARY (CONT'D)

2.3.4 We are well-positioned to capitalise on the growth in the global semiconductor industry

We are well positioned to capitalise on the growth in the global semiconductor industry given our role in providing AMHS solutions that support semiconductor production processes. The growth of the global semiconductor industry is expected to be driven by increasing global demand for E&E products, rapid technological advancements, rising prevalence of generative AI spurring demand for data centres, E&E devices and semiconductors as well as approved investments and government initiatives to drive digitalisation. In line with the industry trends, as our Group operates within a segment of the semiconductor value chain where demand for AMHS solutions is directly linked to semiconductor capacity expansion, throughput requirements and increasing process complexity, our engineering and technical capabilities and established presence in the semiconductor AMHS segment support our Group's competitive positioning in serving semiconductor industry players.

2.3.5 Our AMHS solutions are certified to internationally recognised standards

We are certified with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 for the design, manufacturing, installation and services of automation material handling systems for semiconductor and electronics industry. These certifications reflect our established quality management systems and our commitment to meeting internationally recognised standards relating to quality assurance, environmental management, and occupational health and safety. Further, our AMHS components are designed and fabricated in accordance with SEMI standards and/or CE standards or UL Solutions (US) standards. This demonstrates our ability to comply with global industry requirements and best practices, and supports the consistent performance, safety and reliability of our AMHS solutions in demanding semiconductor production environments.

2.3.6 We have an experienced and hands-on management team

Our Group is led by an experienced and technically skilled management team that has accumulated years of industry experience and in-depth knowledge of our business operations. Our Promoter, substantial shareholder and Executive Director / CEO, Ryo Narisawa, has 36 years of experience in machinery automation and the AMHS segment. His experience, vision and leadership have been instrumental in steering the overall strategic direction and business development to drive the continuous expansion of our Group. He has conceptualised and implemented various business and marketing strategies that led our Group to our current position in the AMHS segment. He is further supported by our key senior management that possess strong industry and functional expertise built over years of experience in their respective fields. They take an active, hands-on role in spearheading their respective departments to support the growth of our Group.

Please refer to **Section 6.4** of this Prospectus for further information on our competitive strengths.

2.4 Future plans and business strategies

Our future plans and business strategies are summarised as follows:-

2.4.1 Expansion of our facility

As part of our business expansion plans, we intend to acquire the New Property for the establishment of the New Facility. The New Facility is expected to provide us with additional production floor space for our in-house fabrication as well as assembly and testing of AMHS components to support multiple projects concurrently and to cater for our growing order book. The New Facility will also incorporate a dedicated R&D and demonstration centre. In addition, the New Facility will provide expanded warehouse capacity for the storage of raw materials and outsourced parts as well as temporary storage of AMHS components prior to assembly and testing. This will enhance our operational efficiency and support higher volumes of production in line with our growth strategy.

2. PROSPECTUS SUMMARY (CONT'D)

2.4.2 Geographical business expansion to overseas market

We plan to expand our overseas presence through the establishment of sales and engineering support offices in Asia, Europe and the USA. In view of the significance of these regions in the global semiconductor industry (in particular, Asia and Europe being amongst the leading global semiconductor manufacturing hubs) as well as the anticipated growing global demand for semiconductors, we have identified Japan, Taiwan, Germany and the USA as our target market and priority for our overseas expansion. By establishing a physical presence in these regions, we are able to enhance our business visibility, strengthen our sales outreach and customer support capabilities and broaden our access to new opportunities in both front-end and back-end semiconductor markets internationally.

2.4.3 Expansion of markets within the semiconductor value chain

We intend to broaden our market coverage in line with the projected expansion of the global semiconductor industry. According to SEMI, global semiconductor equipment sales is expected to increase at a CAGR of 4.44% from 2022 to 2024. SEMI has also extended its outlook to 2030, reflecting sustained investment in 300mm wafer fabrication capacity, which is expected to represent a significant share of global installed wafer capacity by the mid-2020s.

In view of such prospects, we are well positioned to participate in this transition, as our AMHS solutions are already deployed in facilities handling 300mm wafers and have been developed with specifications that meet the stringent requirements of this segment. We also intend to further broaden our participation in the back-end semiconductor production segment.

Please refer to **Section 6.23** of this Prospectus for further information on our future plans and business strategies.

2.5 Risk factors

Before investing in our Shares, you should carefully consider, along with the other matters set out in this Prospectus, the risks and investment considerations. The following are some of the key risks affecting our business, operations and industry.

2.5.1 Risks relating to our business operations

(i) We are exposed to risk due to absence of long-term agreements

We provide our AMHS solutions on a project-by-project basis, and our sales are transacted through purchase orders. While certain projects may be governed by project specific agreements due to their scope and technical complexity, such agreements are generally entered into with the aim to define project specifications and commercial terms, and do not provide for long term supply arrangements or contractual commitments that assure recurring orders or fixed volumes of continuous purchases from our customers. As a result thereof, the absence of such long term commitments or long term agreements exposes our Group to the risk of uncertainty in securing repeat orders or sustaining the same level of engagement with our existing customers. This reduces the visibility of our future earnings and subjects our financial performance to fluctuations in customer procurement cycles.

(ii) We are dependent on customers operating in the semiconductor industry, which exposes us to customer concentration risks

We primarily derive our revenue from customers operating within the semiconductor industry. Our major customers (who operate in the semiconductor industry) contributed to more than 90.0% of our total revenue during the financial years under review, reflecting a high degree of industry and customer concentration. As such, we are materially dependent on a limited number of major customers within the semiconductor industry, in particular, Customer A Group, Customer B and Customer E for a significant portion of our Group's revenue.

2. PROSPECTUS SUMMARY (CONT'D)**(iii) Our project-based business model and billing cycle may result in fluctuations in revenue, profitability and operating performance**

Our business operates on a project-by-project basis, with each AMHS solutions project involving multiple stages of execution, including system design, sourcing and fabrication of AMHS components, pre-installation preparation, on-site installation and commissioning, as well as customers' acceptance. The timing, scale and technical complexity of individual projects vary significantly depending on customer-specific requirements, system configuration and the site conditions of our customer's production area. As a result thereof, the scale of the project together with the timing of project completion as well as customers' acceptance may vary materially between projects and financial periods.

(iv) We are dependent on our ability to attract and retain skilled engineers

We are dependent on our ability to attract and retain skilled engineers as the technical skills and engineering capabilities of our engineering workforce will have an impact on the quality and reliability of our cleanroom AMHS solutions. Our engineers play crucial roles across system design, R&D, project management, fabrication, installation and commissioning as well as sales engineering functions. Their technical knowledge of our AMHS solutions is also essential for solution development, customisation, customer engagement and the overall execution of our operations.

(v) We are dependent on our management team for the continued success and growth of our business

Our success is dependent on the abilities, experience and continued efforts of our management team, comprising our Executive Directors and key senior management, all of whom possess the relevant knowledge in their respective fields of expertise to ensure the smooth operation of our business as well as the continued growth of our Group. We are dependent on the leadership of our Promoter, substantial shareholder and Executive Director / CEO, Ryo Narisawa, in determining the strategic direction and driving the business development and growth of our Group as well as spearheading the R&D efforts of our Group.

(vi) Damage to our reputation may affect our business, financial conditions and results of operations

Our Group's ability to secure and retain customers is highly dependent on our reputation and market perception relating to the quality, reliability and performance of our AMHS solutions as well as our ability to deliver projects in accordance with agreed timelines, specifications and performance requirements. Given the critical role of AMHS solutions in semiconductor manufacturing operations, customers place significant emphasis on proven track record, referenceability and delivery capability when selecting AMHS solution providers.

(vii) We are exposed to foreign exchange fluctuation risks which may impact the profitability of our Group

Our Group primarily uses RM and USD as our functional currencies, with USD being the main foreign currency in which our transactions are conducted. Hence, we are subject to fluctuations in USD, SGD, EUR, JPY and RMB. It should also be noted that while our revenue is denominated in USD and a significant portion of our purchases (apart from RM) is denominated in USD, which to a certain extent, provides a natural hedge, our Group remains exposed to foreign exchange fluctuations arising from foreign currencies sales and purchases as well as timing differences between billings and settlements.

(viii) We may be adversely affected by system malfunctions, quality issues or product defects

Our Group designs and supplies cleanroom AMHS solutions that are deployed within our customers' manufacturing operations, where reliability and strict conformance to technical specifications are critical. While we have implemented QA/QC testing measures to prevent the occurrence of product defects and malfunction incidents, there can be no assurance that our AMHS solutions will not have any defects or experience malfunctions that may lead to the disruption of our customers' operations.

2. PROSPECTUS SUMMARY (CONT'D)**(ix) We rely on third-party vendors for the quality of the fabrication of parts for our cleanroom AMHS solutions as well as the installation and commissioning of our AMHS solutions**

Our Group undertakes in-house fabrication for certain components of our cleanroom AMHS solutions and selectively outsources less critical parts as well as certain standardised critical parts for our cleanroom AMHS solutions to third-party fabricators. As a result thereof, we are dependent on our third-party fabricators to fabricate the parts that meet our specifications in accordance with our fabrication schedule. Our Group may also engage third-party service providers on a project-by-project basis to support certain aspects of the installation and commissioning of our AMHS solutions. Hence, any shortage, underperformance or unavailability of these third-party vendors may result in delays in project execution, increased costs or quality issues.

2.5.2 Risks relating to the industry in which we operate**(i) We are dependent on the semiconductor industry and we face changes and uncertainties in the end-user industries for semiconductors**

Our customers comprise front-end and back-end semiconductor production companies, and our revenue is therefore directly dependent on capital expenditure within the semiconductor industry. Demand for our AMHS solutions arises mainly from greenfield projects (involving the construction of new production facilities) and brownfield projects (involving the expansion or upgrades to existing production facilities such as capacity expansion, layout optimisation, automation enhancements and equipment replacement). Accordingly, our ability to secure projects and generate revenue depends on the scale, timing and continuity of these investments.

(ii) We face competition from industry players in the global semiconductor AMHS industry

We delivered our solutions to customers located across the regions of Asia, Europe and North America during the financial years under review. According to the IMR Report in **Section 7** of this Prospectus, the semiconductor AMHS industry is global in nature, with IDMs, semiconductor foundries and OSATs sourcing for semiconductor AMHS solutions globally. In Malaysia, the semiconductor AMHS industry players comprise local companies and multinational companies with presence in Malaysia, with or without locally incorporated entities in Malaysia. As such, in addition to competing with local companies and multinational companies with presence in Malaysia, industry players of the semiconductor AMHS industry in Malaysia also compete with foreign industry players in overseas as they may provide their solutions to overseas customers.

(iii) We are subject to risk relating to the economic, political and/or legal environment in the markets in which we operate and serve

While our principal operations are based in Malaysia, a significant portion of our revenue is derived from overseas customers across Asia, Europe and North America. Our overseas sales accounted for 41.30%, 36.89% and 55.42% of our total revenue in the FYE 2023, FYE 2024 and FYE 2025 respectively. We are hence affected by the economic, political and/or legal conditions in the geographical markets where we transact business or have interests, making us increasingly susceptible to the risks caused by these conditions. Please refer to **Sections 6.3.2** and **11.3.2** of this Prospectus for the breakdown of revenue derived from these geographical regions in the financial years under review.

Please refer to **Section 4** of this Prospectus for further details on our risk factors.

2. PROSPECTUS SUMMARY (CONT'D)**2.6 Use of proceeds**

We intend to utilise the total gross proceeds from our IPO amounting to RM[•] million in the following manner:-

Details of use	Estimated timeframe for use upon Listing	RM'000	Percentage of gross proceeds (%)
(i) Business expansion			
• Expansion of our Group's facility	Within 36 months	[•]	[•]
• Overseas business expansion	Within 36 months	[•]	[•]
• R&D expenditure	Within 36 months	[•]	[•]
		[•]	[•]
(ii) Working capital	Within 12 months	[•]	[•]
(iii) Estimated listing expenses	Within 1 month	[•]	[•]
Total		[•]	[•]

Please refer to **Section 3.5** of this Prospectus for further details on the use of proceeds from our Public Issue.

2.7 Our Directors and key senior management

Our Directors and key senior management are set out as follows:-

Name	Designation
<u>Directors</u>	
Fazrin Azwar Bin Md. Nor	Independent Non-Executive Chairman
Ryo Narisawa	Executive Director / CEO
Tan Chan Chin	Executive Director / COO
Teh Su-Ching	Independent Non-Executive Director
Samivel A/L Krishnamoorthy	Independent Non-Executive Director
Tan Ming-li	Independent Non-Executive Director
<u>Key senior management</u>	
Ryo Narisawa	Executive Director / CEO
Tan Chan Chin	Executive Director / COO
Yap Kim Seng	Senior Director of Application Control Engineering
Beh Yong Yee	Senior Controller of Finance and Accounting Department
Satiaseelan A/L Kanasamy	Director of Sales and Project Engineering
Azahar Bin Mat Elias	Director of Manufacturing and Supply Chain
Lee Junyi	Director of R&D

Please refer to **Sections 8.1.3, 8.2.2 and 8.4.2** of this Prospectus for the profiles of our Directors and key senior management.

2. PROSPECTUS SUMMARY (CONT'D)

2.8 Our Promoters and substantial shareholders

Our Promoters and substantial shareholders, as well as their respective shareholdings in our Company, are set out as follows:-

Name / Company	Nationality / Place of incorporation	After the Pre-IPO Restructuring / As at the LPD				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(3)%	No. of Shares	(3)%
Ryo Narisawa	Japanese	36,240,600	4.06	⁽²⁾ 520,000,000	58.18	⁽⁴⁾ 38,240,600	3.06	⁽²⁾ 520,000,000	41.60
Jiyuan	Malaysia	520,000,000	58.18	-	-	520,000,000	41.60	-	-
Beh Lai Lien	Malaysian	114,856,800	12.85	⁽²⁾ 520,000,000	58.18	114,856,800	9.19	⁽²⁾⁽⁵⁾ 521,500,000	41.72
Tan Chan Chin	Malaysian	64,356,600	7.20	-	-	⁽⁴⁾ 66,106,600	5.29	-	-

Notes:-

- (1) Based on our issued share capital comprising 893,750,000 Shares after the Pre-IPO Restructuring but before our IPO.
- (2) Deemed interested by virtue of their direct shareholdings in Jiyuan pursuant to Section 8(4) of the Act.
- (3) Based on our enlarged issued share capital comprising 1,250,000,000 Shares after our IPO.
- (4) Assuming they subscribe for their entitlement in full under the Pink Form Allocation.
- (5) Deemed interested by virtue of his daughter's shareholdings in our Company pursuant to Section 59(11)(c) of the Act, assuming she subscribes for her entitlement in full under the Pink Form Allocation. He does not exercise any control, influence or involvement over his daughter's investment decisions. Accordingly, the reference to her shareholdings is made solely for disclosure purposes pursuant to Section 59(11)(c) of the Act and does not constitute any actual indirect interest in his shares.

Please refer to **Section 8.1.3** of this Prospectus for the profiles of our Promoters and substantial shareholders.

2. PROSPECTUS SUMMARY (CONT'D)

2.9 Financial and operational highlights

The historical financial information presented below should be read in conjunction with the management's discussion and analysis of financial condition and results of operations as set out in **Section 11.3** of this Prospectus and the Accountants' Report, together with the accompanying notes, assumptions and bases as set out in **Section 12** of this Prospectus. There has been no audit qualification on our audited financial statements for the financial years under review.

Historical consolidated statements of comprehensive income

The following table sets out a summary of the audited consolidated statements of comprehensive income for the financial years under review.

	Audited		
	FYE 2023	FYE 2024	FYE 2025
	(RM'000)	(RM'000)	(RM'000)
Revenue	145,916	158,877	220,275
GP	74,509	53,529	118,170
PBT	57,604	32,264	88,287
PAT	42,866	28,945	66,162
EBITDA ⁽¹⁾	59,721	34,579	90,125
GP margin (%) ⁽²⁾	51.06	33.69	53.65
EBITDA margin (%) ⁽³⁾	40.93	21.76	40.91
PBT margin (%) ⁽⁴⁾	39.48	20.31	40.08
PAT margin (%) ⁽⁵⁾	29.38	18.22	30.04
Basic and diluted EPS (sen) ⁽⁶⁾	3.43	2.32	5.29
NA	122,277	147,363	191,618
Trade receivables turnover period (days)	115	117	116
Trade payables turnover period (days)	32	37	29
Inventory turnover period (days)	79	87	86
Current ratio (times)	5.01	3.76	9.67
Gearing ratio (times)	-	-	-
Net cash from operating activities	19,351	23,879	35,271
Net cash used in investing activities	(10,765)	(4,694)	(605)
Net cash from/(used in) financing activities	1,756	(4,942)	(21,715)

Notes:-

(1) The table below sets out the reconciliation of our PBT to EBITDA:-

	Audited		
	FYE 2023	FYE 2024	FYE 2025
	(RM'000)	(RM'000)	(RM'000)
PBT	57,604	32,264	88,287
Adjusted for:-			
Finance costs	147	37	23
Finance income	(782)	(1,532)	(2,344)
Depreciation	1,912	3,084	3,530
Amortisation	840	726	629
EBITDA	59,721	34,579	90,125

2. PROSPECTUS SUMMARY (CONT'D)

- (2) GP margin is computed based on the GP over revenue of our Group.
- (3) EBITDA margin is computed based on the EBITDA over revenue of our Group.
- (4) PBT margin is computed based on the PBT over revenue of our Group.
- (5) PAT margin is computed based on the PAT over revenue of our Group.
- (6) Basic and diluted EPS is computed based on PAT divided by the number of issued Shares of 1,250,000,000 Shares after our IPO. There are no dilutive instruments as at the end of the respective financial years.

Please refer to **Section 11** of this Prospectus for further information on our financial information.

2.10 Dividend policy

The dividends declared and paid for the financial years under review are set out as follows:-

	FYE 2023	FYE 2024	FYE 2025
Dividend declared and paid in respect of each FYE (RM'000) ⁽¹⁾	-	4,469	21,226
Dividend payout ⁽²⁾ (%)	-	15.44	32.08

Notes:-

- (1) The dividend paid by our Group was funded via internally generated funds.
- (2) Calculated based on the dividend declared divided by the PAT of our Group.

SASB had declared an interim dividend of RM13.41 million in respect of the FYE 2026 and the said dividend was fully paid using internally generated funds in November 2025. The declaration and payment of such dividends are not expected to adversely affect the execution or implementation of our Group's future plans or business strategies. As at the LPD, save for the Act, there are no dividend restrictions imposed on our Group.

Further, save for the abovementioned interim dividend, our Board does not intend to declare any further dividends prior to our Listing. There are no outstanding dividends declared which remain unpaid as at the LPD.

Our ability to pay dividends to our shareholders is dependent upon a number of factors, including our level of cash and retained earnings, gearing, results of our operations, anticipated capital expenditure requirement, financial conditions and any other factors considered relevant by our Board. Actual dividend proposed and declared may vary depending on our financial performance and cash flow and may be waived if the payment of dividends would adversely affect our cash flow and operations.

We target a payout ratio of at least 25.0% of our PAT for each financial year on a consolidated basis, after taking into account the working capital, maintenance capital and committed capital requirements of our Group. The declaration and payment of any dividends is subject to the confirmation of our Board as well as any applicable laws and contractual obligations, provided that such distribution will not be detrimental to our cash requirements, or any plans approved by our Board.

Please refer to **Section 11.6** of this Prospectus for further information on our dividend policy.

3. DETAILS OF OUR IPO

3.1 Indicative timetable

The indicative timeline for our IPO is set out below:-

Event	Date
Issuance of the Prospectus/Opening of Applications	10.00 a.m., [date]
Closing of Applications	5.00 p.m., [date]
Balloting of Applications	[date]
Allotment of our IPO Shares to successful applicants	[date]
Listing on the Main Market	[date]

Late Applications will not be accepted. In the event there is any changes to this timetable, we will advertise a notice of the changes in a widely circulated English and Bahasa Malaysia daily newspaper within Malaysia, and make an announcement of such changes on Bursa Securities' website accordingly.

3.2 Details of our IPO

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, our IPO Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions as set out in **Section 3.2.2** of this Prospectus:-

	No. of IPO Shares	⁽²⁾ Percentage of our enlarged issued share capital (%)
Public Issue		
(i) Malaysian Public ⁽¹⁾	25,000,000	2.00
(ii) Eligible Persons	30,000,000	2.40
(iii) Private placement to identified institutional and/or selected investors	145,000,000	11.60
(iv) Private placement to identified Bumiputera investors approved by the MITI	156,250,000	12.50
Total	356,250,000	28.50

Notes:-

- (1) Out of the 25,000,000 IPO Shares, 12,500,000 IPO Shares will be set aside for Bumiputera investors, which include individuals, companies, societies, co-operatives and institutions.
- (2) Based on our enlarged issued share capital of 1,250,000,000 Shares after our IPO.

3. DETAILS OF OUR IPO (CONT'D)**3.2.1 Public Issue**

We are offering 356,250,000 IPO Shares at an IPO Price of RM[●] per IPO Share, payable in full on Application, representing 28.50% of our enlarged number of issued Shares after our IPO, in the following manner:-

(i) Malaysian Public

25,000,000 IPO Shares, representing 2.0% of our enlarged number of issued Shares, will be made available for Application by the Malaysian Public through a balloting process, of which 12,500,000 IPO Shares, representing 1.0% of our enlarged number of issued Shares, are set aside for Bumiputera investors, which include individuals, companies, societies, co-operatives and institutions. Any IPO Shares not subscribed by such Bumiputera investors will be made available for Application by other Malaysian Public.

(ii) Eligible Persons

30,000,000 IPO Shares, representing 2.40% of our enlarged number of issued Shares (i.e. Pink Form Shares), will be reserved for Application by the Eligible Persons under the Pink Form Allocation in the following manner:-

Eligible Persons	No. of Eligible Persons	No. of Pink Form Shares to be allocated
Our Directors ⁽¹⁾	6	4,800,000
Eligible employees of our Group ⁽²⁾	61	24,200,000
Persons who have contributed to our success ⁽³⁾	5	1,000,000
Total	72	30,000,000

Notes:-

- (1) The basis and criteria for allocation of the Pink Form Shares to our Directors are based on, amongst others, their respective roles and responsibilities in our Group as well as their contribution to our Group. The number of Pink Form Shares to be allocated to our Directors are set out as follows:-

Name	Designation	No. of Pink Form Shares to be allocated
Fazrin Azwar Bin Md. Nor	Independent Non-Executive Chairman	300,000
Ryo Narisawa	Executive Director / CEO	2,000,000
Tan Chan Chin	Executive Director / COO	1,750,000
Teh Su-Ching	Independent Non-Executive Director	250,000
Samivel A/L Krishnamoorthy	Independent Non-Executive Director	250,000
Tan Ming-li	Independent Non-Executive Director	250,000
Total		4,800,000

The higher number of Pink Form Shares allocated to Ryo Narisawa, Tan Chan Chin and Fazrin Azwar Bin Md. Nor was based on their seniority and respective roles as our Executive Director / CEO, Executive Director / COO and Independent Non-Executive Chairman.

- (2) The basis and criteria for allocation of the Pink Form Shares to the eligible employees of our Group, as approved by our Board, are based on, amongst others, the following factors:-
- (i) the eligible employee must be a full-time confirmed employee of at least 18 years of age and be on the payroll of our Group; and
 - (ii) their staff grade, length of service, past performance and level of contributions made to our Group, including any other factors considered relevant to our Board.

3. DETAILS OF OUR IPO (CONT'D)

The allocation to the eligible employees of our Group includes the allocation to the following key senior management:-

Name	Designation	No. of Pink Form Shares to be allocated
Yap Kim Seng	Senior Director of Application Control Engineering	2,250,000
Beh Yong Yee	Senior Controller of Finance and Accounting Department	1,500,000
Satiaseelan A/L Kanasamy	Director of Sales and Project Engineering	2,000,000
Azahar Bin Mat Elias	Director of Manufacturing and Supply Chain	1,500,000
Lee Junyi	Director of R&D	2,000,000
Total		9,250,000

The number of Pink Form Shares to our key senior management above were allocated based on their respective roles and responsibilities.

- (3) *The basis and criteria for allocation of the Pink Form Shares to persons who have contributed to our success, as approved by our Board, is determined based on, amongst others, the length of business relationship with our Group, their current and past contributions and support to our business. The persons who have contributed to our success may include our customers, suppliers and business associates. For the avoidance of doubt, these persons who have contributed to our success are not related to our Promoters, substantial shareholders and Directors.*

(iii) Private placement to identified institutional and/or selected investors

145,000,000 IPO Shares, representing 11.60% of our enlarged number of issued Shares, will be allocated by way of private placement to identified institutional and/or selected investors.

(iv) Private placement to identified Bumiputera investors approved by the MITI

156,250,000 IPO Shares, representing 12.50% of our enlarged number of issued Shares, will be allocated by way of private placement to identified Bumiputera investors approved by the MITI.

Any IPO Shares not taken up by the Malaysian Public or Eligible Persons under the Pink Form Allocation will be subject to the clawback and reallocation provisions as set out in **Section 3.2.2** of this Prospectus, and the balance thereof will be underwritten. Please refer to **Section 3.7** of this Prospectus for further details of our underwriting arrangement. Applicants who subscribe for the Pink Form Shares under **Section 3.2.1(ii)** above may also apply for the IPO Shares available under the Malaysian Public portion under **Section 3.2.1(i)** above.

Save for the allocation made available for Application by the Eligible Persons as disclosed in **Section 3.2.1(ii)** above, to the extent known to our Company, none of our substantial shareholders, Directors or key senior management have the intention to apply for the IPO Shares allocated under the Malaysian Public portion under **Section 3.2.1(i)** above.

Meanwhile, the 145,000,000 IPO Shares under **Section 3.2.1(iii)** above will be placed out to institutional and/or selected investors identified by our Placement Agent or our Company. These IPO Shares will be subject to irrevocable undertakings to be procured from such investors. The 156,250,000 IPO Shares under **Section 3.2.1(iv)** above will be placed out by our Placement Agent to identified Bumiputera investors approved by the MITI.

To the best of our knowledge and belief, there is no person who intends to subscribe for more than 5.0% of our IPO Shares.

3. DETAILS OF OUR IPO (CONT'D)

3.2.2 Clawback and reallocation

Our IPO Shares shall be subject to the following clawback and reallocation provisions:-

- (i) in the event of under-subscription by the Malaysian Public, the remaining portion of unsubscribed IPO Shares will be clawed back and reallocated to the identified institutional and/or selected investors under **Section 3.2.1(iii)** of this Prospectus;
- (ii) in the event of under-subscription by the Eligible Persons, the remaining portion of unsubscribed IPO Shares will be clawed back and reallocated to the identified institutional and/or selected investors under **Section 3.2.1(iii)** of this Prospectus;
- (iii) in the event of over-subscription by the Malaysian Public and a corresponding undersubscription under **Sections 3.2.1(ii)** and **3.2.1(iii)** of this Prospectus, the remaining portion of unsubscribed IPO Shares will be clawed back and reallocated to the Malaysian Public; and
- (iv) in the event that the IPO Shares allocated to identified Bumiputera investors approved by the MITI under **Section 3.2.1(iv)** of this Prospectus are not fully subscribed, the remaining portion will be clawed back and reallocated in the following manner:-
 - (a) firstly, to the Bumiputera investors under the Malaysian Public under **Section 3.2.1(i)** of this Prospectus; and
 - (b) secondly, to identified institutional investors under **Section 3.2.1(iii)** of this Prospectus and thereafter, any unsubscribed portion shall then be made available to other Malaysian Public under **Section 3.2.1(i)** of this Prospectus to increase the participation of retail investors.

The clawback and reallocation provisions shall not apply in the event of over-subscription under **Sections 3.2.1(i), 3.2.1(ii), 3.2.1(iii)** and **3.2.1(iv)** of this Prospectus. Any balance unsubscribed IPO Shares under **Sections 3.2.1(i)** and **3.2.1(ii)** of this Prospectus (arising after the reallocation to identified institutional and/or selected investors) will not be subject to any further clawback and reallocation. Such IPO Shares will hence be fully underwritten by the Underwriter.

Our IPO Shares will be allocated in a fair and equitable manner and the basis of allocation for the IPO Shares shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants with a view of broadening our shareholding base, to meet the public shareholding spread requirement of Bursa Securities as well as to establish a liquid and adequate market for our Shares.

3. DETAILS OF OUR IPO (CONT'D)**3.2.3 Share capital**

Upon completion of our IPO, our issued share capital will be as follows:-

	No. of Shares	RM
Our issued share capital before our IPO	893,750,000	192,171,950
New Shares to be issued under the Public Issue	356,250,000	⁽¹⁾ [●]
Enlarged issued share capital upon Listing and prior to utilisation of IPO proceeds	1,250,000,000	[●]
Less: Estimated listing expenses	-	⁽²⁾ [(●)]
Enlarged issued share capital upon Listing and after utilisation of IPO proceeds	1,250,000,000	[●]
IPO Price per IPO Share (RM)	-	[●]
Market capitalisation upon Listing (based on the IPO Price and enlarged number of issued Shares after our IPO) (RM)	-	[●]
Pro forma NA per Share (based on the pro forma consolidated statements of financial position as at 31 March 2025 after the Pre-IPO Restructuring, our IPO and utilisation of IPO proceeds) (RM)	-	[●]

Notes:-

(1) Calculated based on the IPO Price.

(2) Out of the total estimated listing expenses of RM[●] million, a total of RM[●] million is assumed to be directly attributable to the Public Issue and will be debited against our share capital, whilst the remaining RM[●] million will be charged to the profit and loss statement of our Group.

3.2.4 Price stabilisation mechanism

We will not be employing any price stabilisation mechanism (which is in accordance with the Capital Markets and Services (Price Stabilisation Mechanism) Regulations 2008) for our IPO.

3.2.5 Classes of shares and ranking

As at the date of this Prospectus, we only have 1 class of Share, being ordinary Shares, all of which rank equally with each other.

Our IPO Shares will, upon allotment and issuance, rank equally in all respects with our existing issued Shares, including voting rights, and will be entitled to all rights, dividends and distributions that may be declared subsequent to the date of allotment and issuance of the IPO Shares, subject to any applicable Rules of Bursa Depository.

Subject to any special rights attaching to any Shares which we may issue in the future, our shareholders shall, in proportion to the Shares held by them, be entitled to share in the profits paid out by us in the form of dividends or other distributions. Similarly, if our Company is liquidated, our shareholders are entitled to the surplus (if any), in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act, our Constitution and our liabilities.

Subject to the Listing Requirements, any resolution set out in the notice of any general meeting or in any notice of resolution, is to be voted on by poll. On a vote by way of poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held or represented. On a show of hands, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote. A proxy may, but need not be a member of our Company.

3. DETAILS OF OUR IPO (CONT'D)

3.2.6 Minimum level of subscription

There is no minimum subscription in terms of the proceeds to be raised from our IPO. However, in order to comply with the public shareholding spread requirement under the Listing Requirements, the minimum subscription level in terms of the number of Shares will be the number of Shares required to be held by public shareholders for our Company to comply with the public shareholding spread requirement under the Listing Requirements or as approved by Bursa Securities.

Under the Listing Requirements, we are required to have a minimum of 25.0% of our Shares held by at least 1,000 public shareholders, each holding not less than 100 Shares at the point of our Listing.

If the aforesaid public shareholding spread requirement is not met, our Company may not be permitted to proceed with our Listing. Please refer to **Section 4.3.2** of this Prospectus for the details in the event there is a delay in or cancellation of our Listing.

3.3 Basis of arriving at the price of our IPO Shares

3.3.1 IPO Price

Our IPO Price of RM[●] per IPO Share was determined and agreed upon between our Directors and Promoters as well as in consultation with our Principal Adviser, Underwriter and Placement Agent, after taking into consideration the following factors:-

- (i) our pro forma EPS of 5.29 sen for the FYE 2025 is based on our Group's PAT of RM66.16 million and our enlarged issued share capital upon Listing comprising 1,250,000,000 Shares, which translates into a price-to-earnings multiple of [●] times;
- (ii) our financial performance and operating history as described in **Sections 11** and **12** of this Prospectus;
- (iii) our pro forma consolidated NA as at 31 March 2025 attributable to owners of our Company, after our IPO and subsequent to the utilisation of our IPO proceeds of approximately RM[●] per Share based on our enlarged issued share capital upon Listing comprising 1,250,000,000 Shares;
- (iv) our competitive strengths as outlined in **Section 6.4** of this Prospectus;
- (v) our future plans and business strategies as outlined in **Section 6.23** of this Prospectus;
- (vi) the overview and future outlook of the industry which we operate in, as described in the IMR Report in **Section 7** of this Prospectus; and
- (vii) the prevailing market conditions which include the current market trends and investors' sentiment.

Applicants should also note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties which may affect the trading volatility of our Shares.

3.3.2 Market capitalisation upon Listing

Based on our IPO Price of RM[●] per IPO Share and our enlarged issued share capital comprising 1,250,000,000 Shares, our market capitalisation upon Listing is RM[●].

3. DETAILS OF OUR IPO (CONT'D)**3.4 Dilution****3.4.1 NA per Share**

Dilution is the amount by which the IPO Price paid by the investors of our IPO Shares exceeds our pro forma consolidated NA per Share after our IPO.

The following table illustrates the dilution on a per Share basis:-

		RM
IPO Price	(A)	[•]
Audited consolidated NA per Share as at 31 March 2025, before adjusting for our IPO	(B)	0.20
Pro forma consolidated NA per Share as at 31 March 2025, after our IPO and subsequent to our utilisation of IPO Proceeds	(C)	[•]
Increase in the pro forma consolidated NA per Share to our existing shareholders	(C - B)	[•]
Dilution in the pro forma consolidated NA per Share to new public investors	(A - C)	[•]
Dilution in the pro forma consolidated NA per Share to new public investors as a percentage of our IPO Price (%)	(A - C)/(A)	[•]

3.4.2 Effective cost per Share

Save for the Pre-IPO Restructuring and as disclosed below, none of our Promoters, substantial shareholders, Directors and key senior management or persons connected with them had acquired, obtained the right to acquire and/or subscribe for our Shares since the incorporation of our Company up to the date of this Prospectus:-

	No. of Shares before our IPO	⁽¹⁾ No. of Shares after our IPO	Total consideration (RM)	Average effective cost per Share (RM)
Promoters, substantial shareholders, Directors and key senior management				
Ryo Narisawa	36,240,600	38,240,600	[•]	[•]
Tan Chan Chin	64,356,600	66,106,600	[•]	[•]
Promoters and substantial shareholders				
Jiyuan ⁽²⁾	520,000,000	-	111,800,000	0.2150
Beh Lai Lien	114,856,800	-	24,694,212	0.2150
Directors				
Fazrin Azwar Bin Md. Nor	-	300,000	[•]	[•]
Teh Su-Ching	-	250,000	[•]	[•]
Samivel A/L Krishnamoorthy	-	250,000	[•]	[•]
Tan Ming-li	-	250,000	[•]	[•]

3. DETAILS OF OUR IPO (CONT'D)

	No. of Shares before our IPO	⁽¹⁾ No. of Shares after our IPO	Total consideration (RM)	Average effective cost per Share (RM)
Key senior management				
Yap Kim Seng	10,588,600	12,838,600	[•]	[•]
Beh Yong Yee	-	1,500,000	[•]	[•]
Satiaseelan A/L Kanasamy	-	2,000,000	[•]	[•]
Azahar Bin Mat Elias	-	1,500,000	[•]	[•]
Lee Junyi	-	2,000,000	[•]	[•]
Person connected to Promoters, substantial shareholders, Directors and key senior management				
Lai Siaw Ling ⁽³⁾	54,003,000	54,003,000	11,610,645	0.2150

Notes:-

- (1) Assuming full subscription of our IPO Shares allocated to our Directors and key senior management under the Pink Form Allocation.
- (2) The shareholders of Jiyuan are Ryo Narisawa (79.94%) and Beh Lai Lien (20.06%). Further information on Jiyuan is set out in **Section 8.1.3(ii)** of this Prospectus.
- (3) Lai Siaw Ling is the brother-in-law of Tan Chan Chin (our Promoter, substantial shareholder and Executive Director / COO) and Beh Lai Lien (our Promoter and substantial shareholder). He is also the uncle of Beh Yong Yee (our Senior Controller of Finance and Accounting Department).

3.5 Use of proceeds

We intend to utilise the total gross proceeds from our IPO amounting to RM[•] million in the following manner:-

Details of use	Estimated timeframe for use upon Listing	RM'000	Percentage of gross proceeds (%)
(i) Business expansion	• Expansion of our Group's facility	[•]	[•]
	• Overseas business expansion	[•]	[•]
	• R&D expenditure	[•]	[•]
		[•]	[•]
(ii) Working capital	Within 12 months	[•]	[•]
(iii) Estimated listing expenses	Within 1 month	[•]	[•]
Total		[•]	[•]

3. DETAILS OF OUR IPO (CONT'D)

Details of our use of gross proceeds from our IPO are as follows:-

3.5.1 Business expansion

(i) Expansion of our Group's facility

Our Group currently carries out the fabrication, assembly and testing activities for our AMHS solutions at our Bayan Lepas Facility (comprising 1 unit of 2-storey factory and 1 unit of 4-storey factory), which has an aggregate built-up area of approximately 115,266 sq ft.

Our Bayan Lepas Facility is currently operating near to full capacity. This is due to the allocation of dedicated floor spaces for the fabrication, assembly and testing of different AMHS components, each of which varies in function, design and size, and is custom-built based on project-specific requirements. Consequently, our Group's ability to scale up production or undertake multiple projects concurrently is limited by the existing layout and space availability.

In view of the above and to accommodate our Group's business expansion plans, we intend to acquire the New Property (i.e. a parcel of industrial land with a land area of at least 2 acres located in Bayan Lepas or Batu Kawan, Penang) for the establishment of the New Facility (i.e. a new manufacturing facility with a larger built-up area of at least 170,000 sq ft). As at the LPD, our Group is in the midst of identifying a suitable New Property for the New Facility located in Bayan Lepas or Batu Kawan, Penang. The exact location and size of the New Facility are not available at this juncture and are subject to change depending on the availability, pricing and suitability of the New Property.

Our Group intends to fund the acquisition of the New Property through a combination of internally generated funds and short-term bridging facilities, the composition of which will be determined at the point of acquisition depending on our Group's funding requirements, cash flow position and prevailing financing conditions.

Our Group will, subject to the type of New Property acquired, construct a new purpose-built manufacturing facility on a vacant land, or renovate, refurbish or redevelop (including demolition and reconstruction, where appropriate) the existing industrial building on the acquired land to align with our intended design specifications, production facility layout and operational requirements. The New Facility is expected to incorporate the following:-

(a) Production area

A production area to cater for the growth in our Group's order book, which would include dedicated floor area for the following:-

- in-house fabrication of hardware components such as conveyor frames, stocker frames, OHT frames and turntables; and
- assembly, testing and packing activities of each of the AMHS components,

which is expected to enhance our overall production capacity and enable our Group to fabricate, assemble, test and pack the AMHS components for multiple projects concurrently.

3. DETAILS OF OUR IPO (CONT'D)**(b) R&D and demonstration centre**

A R&D and demonstration centre which will be utilised by our R&D division to undertake R&D activities to enhance our AMHS solutions and showcase the operational functionalities of our AMHS solutions to existing and potential customers. For information purposes, we currently operate a R&D centre at our existing Bayan Lepas Facility. Following the set-up of the New Facility, our Group intends to relocate certain production activities from our existing Bayan Lepas Facility to the New Facility to free up floor space for a larger and more dedicated R&D area at our existing Bayan Lepas Facility. This forms a key part of our expansion plan to scale up our R&D capacity and capabilities in line with the increasing technical requirements of our Group's AMHS solutions and to support long-term product innovation. The dedicated area at the New Facility will primarily function as a demonstration centre for our Group's AMHS solutions and will also house a smaller ad-hoc R&D unit to support project-specific needs. In line with our Group's operational approach, both the New Facility and Bayan Lepas Facility will continue to maintain R&D stations alongside production activities, as R&D integration is essential to customisation, process refinement and continuous product development.

The demonstration centre will be utilised by our Group to showcase the full range of our AMHS solutions, including both systems and individual components. The dedicated demonstration space will enable our Group to effectively demonstrate the operational functionalities of our AMHS components to our existing and potential customers, thereby supporting our Group's marketing and customer engagement efforts.

(c) Warehouse

Additional warehouse space for the storage of raw materials and outsourced parts as well as temporary storage of AMHS components. The additional warehouse space is expected to enhance our inventory management and support a higher volume of production activity, thereby contributing to increased operational efficiency.

Based on our intended operational layout and floor space requirements, the New Facility is expected to comprise the following indicative floor areas:-

	Indicative floor area (sq ft)
Production area (comprising fabrication, assembly, testing and packing area for each AMHS component)	100,000
R&D and demonstration centre	60,000
Warehouse	10,000
Total	170,000

Upon the completion and commencement of operations at the New Facility, we anticipate a significant increase in our production capacity, which will enable us to scale operations more effectively and meet the growing demand for our AMHS solutions.

3. DETAILS OF OUR IPO (CONT'D)

To support this business expansion initiative, we have earmarked RM[●] million or [●]% of our total IPO proceeds to be utilised over the next 36 months from the date of our Listing to fund the following:-

Proposed utilisation	RM'000
<ul style="list-style-type: none"> Repayment of short-term bridging facilities undertaken for the acquisition of the New Property We intend to utilise the proceeds to repay the short-term bridging facilities that will be obtained solely to part finance the acquisition of the New Property identified for the establishment of the New Facility. The repayment is expected to be made within 12 months from the date of completion of the acquisition of the New Property. 	⁽¹⁾ [●]
<ul style="list-style-type: none"> Development costs for the establishment of the New Facility We intend to utilise the proceeds to fund the development of the New Facility, which may involve the construction of a new purpose-built manufacturing facility on a vacant land, or renovation, refurbishment or redevelopment (including demolition and reconstruction, where appropriate) of the existing industrial building on the acquired land, depending on the type and condition of the New Property acquired. The development costs include, amongst others, the costs for civil, structural, mechanical and electrical works, interior fit-out, installation of utilities required for the New Facility's operational readiness as well as associated professional fees and costs for the relevant required approvals. 	⁽²⁾ [●]
<ul style="list-style-type: none"> Acquisition of new machineries and equipment for the New Facility We intend to utilise the proceeds to acquire up to 10 new CNC machining equipment and related precision fabrication tools to support the in-house fabrication of AMHS components at the New Facility. The investment will enable our Group to undertake a higher proportion of machining and fabrication activities in-house, thereby improving production efficiency, quality consistency and delivery timelines. 	[●]
<ul style="list-style-type: none"> Expansion of workforce for the New Facility We intend to utilise the proceeds to recruit and train up to 50 additional production and technical personnel, comprising engineers, technicians and other skilled staff to support the expanded production capacity and operational requirements of the New Facility. The funds will be applied towards staff recruitment, training programmes and staff remuneration during the initial operational phase. 	⁽³⁾ [●]
Total	[●]

Notes:-

- (1) Based on our management's estimates, the cost of the New Property is expected to be approximately RM[●] million. This estimate was derived based on an indicative purchase price of approximately RM[●] per sq ft for an industrial property with an assumed land size of 2 acres located in Bayan Lepas or Batu Kawan, Penang as well as our enquiries with property agents and review of property listings for industrial properties of comparable size and specifications. The indicative price represents the internal pricing benchmark that our Group is targeting for planning and evaluation purposes, and is intended to provide a reasonable basis for estimating the potential acquisition cost. It should be noted that the final cost of the New Property may vary depending on, amongst others, the actual location, property type and land size.
- (2) Based on our management's estimates, after taking into consideration the historical construction costs incurred for the Bayan Lepas Facility.
- (3) Includes staff salaries for an estimated period of 18 months (based on, amongst others, our staff salary records and our management's staffing budget) for at least 50 additional production and technical personnel.

3. DETAILS OF OUR IPO (CONT'D)

In the event that the proceeds allocated for the above purposes are insufficient to meet the actual funding requirements (other than for the repayment of short-term bridging facilities), the shortfall will be funded through internally generated funds and/or bank borrowings. Conversely, should the actual costs incurred be lower than the amount of proceeds allocated for the above purposes, the excess proceeds will be reallocated to our working capital requirements.

We intend to complete the establishment of the New Facility within 36 months from the date of our Listing and have accordingly engaged property agents to identify a suitable New Property, taking into consideration, amongst others, the floor space requirements. At this juncture, we have viewed 6 properties ("**Viewed Properties**") located in Bayan Lepas, Penang. However, after further deliberation, we are of the view that the Viewed Properties do not fulfil our operational and business expansion requirements. As such, we will continue to search for a suitable property that meets our operational and business expansion requirements.

Our Group anticipates that the establishment of the New Facility (which includes the acquisition of the New Property, development of the New Facility and installation of the machineries and equipment for our production area) will be carried out in stages over a period of up to 36 months from the date of our Listing, the indicative timeframe for which is set out as follows:-

Stage(s)	Event(s)	Indicative timeframe*
1.	<ul style="list-style-type: none"> Identify suitable New Property located in Bayan Lepas or Batu Kawan, Penang Undertake preliminary assessment on the suitability of the New Property to cater for our operational requirements 	4 th quarter of 2025 to 1 st quarter of 2026
2.	<ul style="list-style-type: none"> Execution of the sale and purchase agreement ("SPA") for the proposed acquisition of the New Property and financing agreement in respect of the short-term bridging facilities 	2 nd quarter of 2026
3.	<ul style="list-style-type: none"> Completion of the proposed acquisition of the New Property (assuming 6 months from the date of the SPA) Appointment of, and commencement of discussions with, the architect, interior designer and/or contractor(s) on the design of the New Facility⁽¹⁾ 	End of 4 th quarter of 2026
4.	<ul style="list-style-type: none"> Completion of feasibility studies and development layout plans (including estimated development costs)⁽¹⁾ 	1 st quarter of 2027
5.	<ul style="list-style-type: none"> Obtain planning permission and approved building plans from the Majlis Bandaraya Pulau Pinang and other relevant approvals (including for earthworks and drainage) from the relevant authorities Commencement of development of the New Facility 	2 nd quarter of 2027
6.	<ul style="list-style-type: none"> Completion of development of the New Facility Submission of applications for the CCC and any other relevant approvals and permits required to commence operations at the New Facility 	2 nd quarter of 2028

3. DETAILS OF OUR IPO (CONT'D)

Stage(s)	Event(s)	Indicative timeframe*
7.	<ul style="list-style-type: none"> Obtain the relevant approvals, permits and issuance of CCC (or its equivalent) Completion of installation and set-up of fixtures and fittings as well as installation of machineries and equipment at the New Facility Submission of applications for relevant licences, approvals or permits to commence operations at the New Facility⁽²⁾ 	3 rd quarter of 2028
8.	<ul style="list-style-type: none"> Obtain necessary licences, approvals or permits to commence operations at the New Facility⁽²⁾ Commencement of operations at the New Facility 	4 th quarter of 2028

Notes:-

* The indicative timeline set out herein reflects our current expectations on the progress of the establishment of the New Facility, which is shorter than the overall 36-month implementation period. However, the actual implementation period may vary depending on factors such as the timing of the acquisition of the New Property, obtaining of regulatory approvals, and construction progress. Nevertheless, our Group expects that the overall implementation will be completed within 36 months from the date of our Listing.

(1) Subject to the type of New Property acquired, our Group may undertake construction of a new purpose-built manufacturing facility on the vacant land, or renovate, refurbish or redevelop (including demolition and reconstruction, where appropriate) of the existing industrial building on the acquired land.

(2) Comprise business premise and advertisement licences as well as other relevant permits or approvals from the relevant authorities required for the operation of the New Facility.

At this juncture, our Group does not foresee any major obstacles in identifying and acquiring a suitable New Property in Bayan Lepas or Batu Kawan, Penang for the establishment of the New Facility. Nonetheless, in the unlikely event that the proposed acquisition of the New Property does not materialise, we have alternative expansion plans in place, which may include exploring the acquisition of New Property in other industrial areas within the northern region of Peninsular Malaysia.

We envisage that such alternative expansion plans are still expected to be completed within the existing 36-month timeframe from the date of our Listing. In the event the alternative expansion plans occur after our Listing, we will make an announcement on Bursa Securities, and where a material variation in the utilisation of proceeds is required, we will seek our shareholders' approval in accordance with the Listing Requirements.

In the event the amount required to implement the alternative expansion plan is higher than the proposed budget, any deficit will be funded through internally generated funds and/or bank borrowings. Conversely, if such amount required to implement the alternative expansion plan is less than the proposed budget, such proceeds will be channelled towards our working capital requirements.

(ii) Overseas business expansion

Asia and Europe have consistently been our 2 largest revenue contributors, collectively accounting for more than 98.0% of our Group's total revenue for the financial years under review. It should be noted that Malaysia had contributed 58.70%, 63.11% and 44.58% of our total revenue for the FYE 2023, FYE 2024 and FYE 2025 respectively, while other Asian countries and Europe had collectively contributed to 41.10%, 36.89% and 53.65% over the same financial years, further details of which are disclosed in **Section 11.3.2(i)** of this Prospectus.

3. DETAILS OF OUR IPO (CONT'D)

In view of the growing global demand for semiconductors, particularly with Europe and Asia being amongst the leading global hubs for semiconductor manufacturing, we aim to strengthen our position in these strategic markets.

At the same time, the USA represents a prospective growth market, underpinned by its global leadership in advanced semiconductor design, research and technology development. While our revenue contributions from this region have not been significant to date as compared to other regions (in particular, Asia and Europe), we consider the USA as a strategic market with long-term potential for our Group to expand our market presence progressively as we explore strategic opportunities in line with our future growth plans.

To capitalise on this market potential and further grow our business and revenue streams, we plan to expand our overseas presence through the establishment of sales and engineering support offices in Asia, Europe and the USA. Having a physical presence in these regions will enhance our business visibility and position our Group to be in close proximity with our target markets, enabling direct engagement with potential, new and existing local customers in the region, improve responsiveness to customers' needs and fostering stronger long-term relationships with potential and existing local customers.

These overseas offices will serve as the frontline of our operations in the respective regions, providing both sales outreach and technical support to potential, new and existing customers. We believe that having localised operations will facilitate better customer service, enhance operational efficiency and improve the delivery of our AMHS solutions.

To support this geographical expansion plan, we have earmarked RM[●] million or [●]% of our total IPO proceeds to be utilised over the next 36 months from the date of our Listing for the expansion of our global presence by setting up sales and engineering support offices at the respective locations, the estimated breakdown of which are as follows:-

New sales and engineering support offices	Estimated cost		
	⁽¹⁾ Office rental (RM'000)	Staff costs (RM'000)	Total (RM'000)
Asia			
Japan	[●]	⁽²⁾ [●]	[●]
Taiwan	[●]	⁽³⁾ [●]	[●]
			[●]
Europe			
Germany	[●]	⁽⁴⁾ [●]	[●]
USA	[●]	⁽⁵⁾ [●]	[●]
Total			⁽⁶⁾ [●]

Notes:-

- (1) Estimated 3-year rental for office spaces, based on a built-up area of up to approximately 50 square metres, after taking into consideration the prevailing market rental rates of comparable properties at the identified locations. Subsequent to the initial 3-year rental period, the future rental expenses shall be funded through our internally generated funds.

3. DETAILS OF OUR IPO (CONT'D)

- (2) *Estimated 3-year staff costs (based on our management's assessment, after taking into consideration prevailing market salaries from publicly available recruitment information) for up to 4 new personnel to be hired for the new sales and engineering support office in Japan to establish and manage the business operations in Japan.*
- (3) *Estimated 3-year staff costs (based on our management's assessment, after taking into consideration prevailing market salaries from publicly available recruitment information) for up to 4 new personnel to be hired for the new sales and engineering support office in Taiwan to establish and manage the business operations in Taiwan.*
- (4) *Estimated 3-year staff costs (based on our management's assessment, after taking into consideration prevailing market salaries from publicly available recruitment information) for up to 4 new personnel to be hired for the new sales and engineering support office in Germany to establish and manage the business operations in Germany.*
- (5) *Estimated 3-year staff costs (based on our management's assessment, after taking into consideration prevailing market salaries from publicly available recruitment information) for up to 3 new personnel to be hired for the new sales and engineering support office in the USA (in addition to our existing sales and engineering support office in the State of Washington, USA) to establish and manage the business operations in the USA.*
- (6) *The allocated proceeds are denominated in RM whilst the use of proceeds for such expansion plans in Japan, Taiwan, Germany and the USA are in JPY, NTD, EUR and USD respectively. In the event that the actual RM amount required is higher than the RM amount set out above due to movements in exchange rate, the deficit will be funded through internally generated funds. Conversely, if the actual RM amount required as at the payment date is lower than the RM amount set out above due to movements in exchange rate, the excess will be allocated to our working capital requirements.*

As at the LPD, we are in the midst of identifying suitable premises in Asia, Europe and the USA to be rented for the new sales and engineering support offices. The exact location and size of the intended premises are subject to change, depending on prevailing property prices and the availability of suitable premises.

(iii) R&D expenditure

Our R&D activities are spearheaded by our Executive Director / CEO, Ryo Narisawa and our Director of R&D, Lee Junyi, which are supported by a team comprising 52 R&D engineers and 6 R&D technicians as at the LPD. Over the years, we have successfully developed our range of AMHS solutions (which includes our conveyor-based AMHS, ASRS and hybrid AMHS) through our continuous R&D efforts.

It is essential for our Group to continuously innovate and enhance our AMHS solutions to meet the evolving needs of our customers in the semiconductor industry (in particular, in terms of improving throughput and reliability) as well as to cater for different manufacturing facility layouts.

We have hence earmarked RM[●] million or [●]% of our total IPO proceeds to be utilised over the next 36 months from the date of our Listing towards the strengthening of our R&D capabilities. The earmarked proceeds are intended to support the ongoing research, development and refinement of our AMHS solutions, primarily focusing on developing new features, enhancing system efficiency and functional performance.

3. DETAILS OF OUR IPO (CONT'D)

The breakdown of utilisation is envisaged as follows:-

Details	RM'000
<ul style="list-style-type: none"> • Prototype building and testing It involves the development and validation of new AMHS technologies through preliminary models designed to, amongst others, assess performance and reliability. This process allows our Group to trial emerging concepts and technologies, identify and resolve technical issues during an early stage as well as refine designs into commercially viable solutions, which in turn supports the continuous innovation of our solutions and ensuring our offerings remain aligned with the evolving requirements of the semiconductor industry. 	[•]
<ul style="list-style-type: none"> • Expansion of our R&D division⁽¹⁾ It involves the recruitment of up to 30 additional R&D engineers, tasked to undertake R&D activities. We target to recruit qualified engineers with at least 5 years of working experiences in the fields of mechatronic engineering, software programming as well as E&E engineering. 	[•]
Total	[•]

Note:-

- (1) Includes staff salaries for an estimated period of 36 months (based on, amongst others, our staff salary records and our management's staffing budget) for at least 30 additional R&D engineers as well as cost for staff training and development programmes.

We believe that continuous R&D efforts in developing our AMHS solutions are crucial as it will enable us to capitalise on the growing market trend in the semiconductor industry as well as cater to a wider range of industries, which will in turn support our long-term expansion plans and business sustainability.

Any shortfall in the actual costs of our business expansion plans as set out in **Section 3.5.1** of this Prospectus as compared to our budgeted allocations will be financed through internally generated funds and/or bank borrowings. Conversely, in the event that the actual proceeds utilised to fund our business expansion plans are lower than the allocations set out above, the excess funds will be channelled towards our working capital requirements.

3.5.2 Working capital

We expect our working capital requirements to increase in tandem with the expected growth in scale of our operations. Hence, we have earmarked RM[•] million or [•]% of our total IPO proceeds to be utilised over the next 12 months from the date of our Listing towards our working capital requirements, which include the following:-

Details	RM'000
Purchase of parts and tools, consumables as well as packaging materials ⁽¹⁾	[•]
General overheads, which include payment of administration and operational expenses such as for the upkeep of offices and office utilities	[•]
Sales and marketing expenses, which include advertisement and promotions as well as participation costs in trade exhibitions and roadshows held locally and internationally ⁽²⁾	[•]
Total	[•]

3. DETAILS OF OUR IPO (CONT'D)**Notes:-**

- (1) *Primarily comprise structural aluminium extrusion frames, channels and machined components for our in-house fabrication of conveyor frames, stocker frames, OHT frames and turntables as well as sensors, bearings, plates, sheet metal parts and other electronic components for the assembly of our AMHS solutions.*
- (2) *Primarily comprise media advertising costs as well as costs to promote our solutions at semiconductor trade fairs, exhibitions and industry networking events.*

3.5.3 Estimated listing expenses

We have earmarked RM[●] million or [●]% of our total IPO proceeds to be utilised over the next 1 month from the date of our Listing towards the payment of the expenses and fees incidental to our Listing, which shall be borne by our Company, the details of which are as follows:-

Expenses	RM'000
Professional fees which includes advisory and professional fees for, amongst others, our Principal Adviser, legal adviser, auditors and reporting accountants, IMR, internal control reviewer, share registrar, issuing house and company secretaries	[●]
Brokerage, placement fees and underwriting commission	[●]
Regulatory fees	[●]
Other fees and expenses such as printing, advertising, travelling and roadshow expenses incurred in connection with our IPO	[●]
Contingencies and other incidental expenses in connection with our IPO such as translation fees, public or investor relation consultant, service tax and funds reserved for contingency purposes	[●]
Total	[●]

If the actual listing expenses are higher than the estimated amount as set out above, the deficit will be funded out of the portion from the IPO proceeds allocated for working capital. Conversely, if the actual listing expenses are lower than the estimated amount, the excess will be utilised for our working capital requirements.

We intend to place the IPO proceeds (including accrued interest, if any) or the balance thereof as deposits with licensed financial institutions or short-term money market instruments prior to the use of the IPO proceeds from the Public Issue for the above intended purposes.

3.6 Brokerage fee, underwriting commission and placement fee**3.6.1 Brokerage fee**

We will pay brokerage fees in respect of 25,000,000 IPO Shares under the Malaysian Public portion as set out in **Section 3.2.1(i)** of this Prospectus and 30,000,000 Pink Form Shares under the Pink Form Allocation as set out in **Section 3.2.1(ii)** of this Prospectus, at the rate of 1.0% (exclusive of applicable tax) of the IPO Price in respect of all successful Applications, which bear the stamp of either the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

The Placement Agent is entitled to charge brokerage fee to successful applicants for the IPO Shares made available to identified institutional and/or selected investors as well as identified Bumiputera investors approved by the MITI by way of private placement. For the avoidance of doubt, such brokerage fee will be paid by successful applicants under the private placement and will not be borne by us.

3. DETAILS OF OUR IPO (CONT'D)

3.6.2 Underwriting commission

As stipulated in the Underwriting Agreement, we will pay the underwriting commission at the rate of [●]% (exclusive of applicable tax) of the total value of the underwritten Shares based on the IPO Price.

3.6.3 Placement fee

Our Placement Agent, UOBKH, has agreed to place out 145,000,000 IPO Shares to be offered to identified institutional and/or selected investors as set out in **Section 3.2.1(iii)** of this Prospectus and 156,250,000 IPO Shares to identified Bumiputera investors approved by the MITI as set out in **Section 3.2.1(iv)** of this Prospectus.

We will pay our Placement Agent a placement fee at the rate of [●]% of the total value of the IPO Shares placed out to investors identified by our Placement Agent at the IPO Price and a placement fee at the rate of [●]% of the total value of the IPO Shares placed out to investors identified by our Company at the IPO Price.

3.7 Underwriting arrangement

We have entered into the Underwriting Agreement with the Underwriter to underwrite 25,000,000 IPO Shares under the Malaysian Public portion as set out in **Section 3.2.1(i)** of this Prospectus and 30,000,000 Pink Form Shares under the Pink Form Allocation as set out in **Section 3.2.1(ii)** of this Prospectus, both of which are subject to the clawback and reallocation provisions as set out in **Section 3.2.2** of this Prospectus.

The salient terms of the Underwriting Agreement are as follows:-

[The salient terms will be inserted once the Underwriting Agreement has been entered into and made available.]

3.8 Trading and settlement in the secondary market

Our Shares will be admitted to the Official List and an official quotation will commence after, amongst others, the receipt of confirmation from Bursa Depository that all of our IPO Shares have been duly credited into the respective CDS Accounts of the successful applicants and the notices of allotment have been issued and despatched to all the successful applicants.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the SICDA and the Rules of Bursa Depository. We will not issue any share certificates to successful applicants.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain our Shares in the CDS Accounts, either directly in their names or through authorised nominees. Persons whose names appear in the record of depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective CDS Accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS Account being debited with the number of Shares sold and the buyer's CDS Account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

3. DETAILS OF OUR IPO (CONT'D)

Shares held in CDS Accounts may not be withdrawn from the CDS except in the following instances:-

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances determined by Bursa Depository from time to time, after consultation with the SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares will trade under the odd lot board. Settlement and payment of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date.

It is expected that our Shares will commence trading on Bursa Securities approximately 10 Market Days after the closing of our IPO. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of book-entry transfer to other CDS Accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

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4. RISK FACTORS

YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING KEY RISK FACTORS WHICH MAY HAVE A MATERIAL ADVERSE IMPACT ON OUR BUSINESS OPERATIONS, FINANCIAL POSITION AND THE FUTURE PERFORMANCE OF OUR GROUP, IN ADDITION TO OTHER INFORMATION CONTAINED IN THIS PROSPECTUS, BEFORE INVESTING IN OUR COMPANY.

4.1 Risks relating to our business operations

4.1.1 We are exposed to risk due to absence of long-term agreements

We provide our AMHS solutions on a project-by-project basis, and our sales are transacted through purchase orders. While certain projects may be governed by project specific agreements due to their scope and technical complexity, such agreements are generally entered into with the aim to define project specifications and commercial terms, and do not provide for long-term supply arrangements or contractual commitments that assure recurring orders or fixed volumes of continuous purchases from our customers. As a result thereof, the absence of such long-term commitments or long-term agreements exposes our Group to the risk of uncertainty in securing repeat orders or sustaining the same level of engagement with our existing customers. This reduces the visibility of our future earnings and subjects our financial performance to fluctuations in customer procurement cycles.

Given the nature of our business, our financial performance is hence dependent on our ability to continuously secure new projects and purchase orders from existing and potential customers. Our revenue visibility is influenced by, amongst others, the capital expenditure plans of the semiconductor production companies, including their brownfield initiatives to upgrade or expand existing fabrication infrastructure and their greenfield investments in the construction of new production facilities.

In the event that we are unable to secure new projects and purchase orders from our existing or potential customers, or if our existing customers choose to cease procuring AMHS solutions from our Group, our financial performance may be adversely affected.

4.1.2 We are dependent on customers operating in the semiconductor industry, which exposes us to customer concentration risks

We primarily derive our revenue from customers operating within the semiconductor industry. Our major customers (who operate in the semiconductor industry) contributed to more than 90.0% of our total revenue during the financial years under review, reflecting a high degree of industry and customer concentration. In particular, our major customers, namely Customer A Group, Customer B and Customer E had each contributed to more than 20.0% of our Group's total revenue for one or more years during the financial years under review. As such, we are materially dependent on a limited number of major customers within the semiconductor industry, in particular, Customer A Group, Customer B and Customer E for a significant portion of our Group's revenue.

Given our past and ongoing projects with Customer A Group, Customer B and Customer E, these customers may continue to contribute significantly to our Group's revenue in the future. However, there is no assurance that these customers will continue to engage us for new projects, maintain existing project scopes or procure our solutions at similar levels over time. Any reduction, delay, suspension or termination of projects or the absence of new project engagements by one or more of our customers within the semiconductor industry could materially and adversely affect our Group's revenue, project order book and financial performance, in particular, if we are unable to secure replacement or additional projects awards from existing or new customers which are of similar value within a comparable timeframe.

We have not encountered any material issues or disputes arising from our past and ongoing projects with our major customers during the financial years under review and up to the LPD. However, there can be no assurance that such incidents will not occur in the future.

4. RISK FACTORS (CONT'D)

4.1.3 Our project-based business model and billing cycle may result in fluctuations in revenue, profitability and operating performance

Our business operates on a project-by-project basis, with each AMHS solutions project involving multiple stages of execution, including system design, sourcing and fabrication of AMHS components, pre-installation preparation, on-site installation and commissioning, as well as customers' acceptance. The timing, scale and technical complexity of individual projects vary significantly depending on customer-specific requirements, system configuration and the site conditions of our customer's production area (which includes, amongst others, the site layout and readiness of the production environment). As a result thereof, the scale of the project together with the timing of project completion as well as customers' acceptance may vary materially between projects and financial periods.

Consequently, any delay in, or deferral of, the completion and acceptance of one or more projects with higher contract values, longer execution timelines or greater technical complexity, whether arising from project-specific factors or circumstances beyond our direct control (which may include customer's site readiness and evolving customer requirements that necessitate refinements to system design, fabrication of additional or modified components or system optimisation) could have a disproportionate adverse impact on our Group's revenue and overall GP margins in any given quarter or financial year.

Further, as revenue from our AMHS solutions is recognised at specific points in time (with the remaining portion recognised only upon completion of installation and commissioning and customer acceptance), a substantial project pipeline or significant WIP may not translate into revenue or profitability in the same financial period. There can be no assurance that customer acceptance will occur within initially anticipated timeframes. As such, our Group may be exposed to material variations in financial performance between financial periods, which may arise primarily from the timing of customer acceptance rather than due to any changes in the scale of our Group's production activities or prevailing market conditions. It should be noted that such timing differences may hence result in short-term earnings volatility, reduced predictability of results and operating losses in certain financial periods.

Given the project-based nature of our operations, engineering, fabrication and installation costs are incurred throughout the project lifecycle, often over an extended period (which spans over multiple financial periods, depending on project size, technical complexity, system integration requirements and customer site conditions). In financial periods where one or more major projects remain in progress and have not yet achieved customer acceptance, we may recognise project-related operating costs incurred during project execution, including engineering, technical manpower and outsourced costs, without a corresponding recognition of revenue. Such timing differences may hence result in lower gross margins, reduced profitability and operating losses in certain financial periods.

4.1.4 We are dependent on our ability to attract and retain skilled engineers

We are dependent on our ability to attract and retain skilled engineers as the technical skills and engineering capabilities of our engineering workforce will have an impact on the quality and reliability of our cleanroom AMHS solutions. Our engineers play crucial roles across system design, R&D, project management, fabrication, installation and commissioning as well as sales engineering functions. Their technical knowledge of our AMHS solutions is also essential for solution development, customisation, customer engagement and the overall execution of our operations. As at the LPD, we have a total of 201 engineers, representing approximately 42.68% of our total workforce, further supported by 148 technicians, who accounted for approximately 31.42% of our total workforce.

4. RISK FACTORS (CONT'D)

Given that our business is fundamentally driven by engineering capabilities with engineering functions underpinning our solution design, customisation, project execution and system delivery, our future growth and success depend, to a significant extent, on the continued service of our skilled and experienced engineers. The loss of any of our engineers simultaneously or within a short span of time without any suitable and timely replacements could disrupt our operations and, in turn, negatively affect our financial performance. This risk is heightened by the talent shortage within the semiconductor industry and the risk of talent drain. In the event of an industry wide talent shortage, we may lose skilled engineers to our customers or to other participants in the semiconductor industry or other industries, which may make it challenging for us to find suitable and timely replacements or hire sufficient new engineers to support the growth of our Group.

Accordingly, a high turnover of engineers and/or any substantial reduction in our engineering workforce may impair our ability to deliver ongoing projects and undertake new project opportunities. It is hence crucial for our Group to retain and recruit engineering personnel with the required expertise and capabilities to support our ongoing operations, future growth and expansion.

While we have not experienced any major disruptions to our operations due to shortage of skilled engineers during the financial years under review and up to the LPD, it should be noted that engineering personnel changes may occur from time to time, and there is no assurance that we will continue to attract and retain an adequate number of skilled engineers to support our ongoing operations and growth.

4.1.5 We are dependent on our management team for the continued success and growth of our business

Our success is dependent on the abilities, experience and continued efforts of our management team, comprising our Executive Directors and key senior management, all of whom possess the relevant knowledge in their respective fields of expertise to ensure the smooth operation of our business as well as the continued growth of our Group. Please refer to **Sections 8.1.3 and 8.4.2** of this Prospectus for further details on the profiles of our Executive Directors and key senior management.

We are dependent on the leadership of our Promoter, substantial shareholder and Executive Director / CEO, Ryo Narisawa, in determining the strategic direction and driving the business development and growth of our Group as well as spearheading the R&D efforts of our Group. Given his age profile, any interruption in the continuity or pace of his active leadership role may affect our decision-making process, execution of growth initiatives and continuity of technical guidance for our AMHS solutions.

We also rely on our key senior management, who have years of relevant experience ranging from 9 years to 35 years, for their respective expertise and technical knowledge which are essential to our business operations. The loss of any member from our key senior management team, whether due to retirement, resignation or inability to perform their roles, may disrupt ongoing projects, delay operational decisions and/or impact customer relationships.

While our Group continues to strengthen our management bench and develop internal talent to support long-term succession planning, there is no assurance that suitable replacements with equivalent experience can be identified or onboarded in a timely manner. Any disruption to leadership continuity may adversely affect our operations, market position and future growth prospects. Further, any loss of these personnel simultaneously or within a short period of time, and our inability to find a suitable replacement in a timely manner, may create an unfavourable impact on our Group's operations, financial performance and the future growth of our business.

4. RISK FACTORS (CONT'D)

As part of our strategy to retain our employees, we offer competitive remuneration packages to our key senior management and provide training and career development opportunities to our employees. We believe that our Listing will also enhance our corporate profile and facilitate talent retention and recruitment. However, there is no assurance that these efforts will be sufficient to retain and attract key senior management in the future. During the financial years under review and up to the LPD, we have not experienced any loss of our key senior management that has materially impacted our business.

4.1.6 Damage to our reputation may affect our business, financial conditions and results of operations

Our Group's ability to secure and retain customers is highly dependent on our reputation and market perception relating to the quality, reliability and performance of our AMHS solutions as well as our ability to deliver projects in accordance with agreed timelines, specifications and performance requirements. Given the critical role of AMHS solutions in semiconductor manufacturing operations, customers place significant emphasis on proven track record, referenceability and delivery capability when selecting AMHS solutions providers.

Any negative publicity, adverse market perception or reputational issues, whether arising from actual or perceived deficiencies in product quality, system performance, project execution, delays or failure to meet customer expectations, could adversely affect customer confidence in our Group and reduce market acceptance of our AMHS solutions. Such adverse developments may result in existing customers reducing, suspending, scaling back or not extending new project engagements with our Group, and potential customers may elect to procure alternative AMHS solutions from competitors. In particular, adverse market perception arising from a single project or engagement may affect customers' willingness to award additional or follow-on projects to our Group, even where such adverse perception is not representative of our overall project performance.

Any material damage to our reputation or adverse shift in market perception may weaken our competitive position, impair our ability to secure new projects or retain existing customers, which will materially and adversely affect our business operations, financial condition, results of operations and future prospects.

Although we have not experienced any material damage to our reputation during the financial years under review and up to the LPD, there can be no assurance that our reputation and market perception will not be adversely affected in the future.

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4. RISK FACTORS (CONT'D)**4.1.7 We are exposed to foreign exchange fluctuation risks which may impact the profitability of our Group**

Our Group primarily uses RM and USD as our functional currencies, with USD being the main foreign currency in which our transactions are conducted. Our revenue and purchases in the respective currencies in the financial years under review are as follows:-

	FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%
Revenue denominated in:-						
USD	145,916	100.00	158,877	100.00	220,275	100.00
Total	145,916	100.00	158,877	100.00	220,275	100.00
Purchases denominated in:-						
RM	36,887	59.47	44,302	60.54	35,296	62.82
USD	18,006	29.03	19,091	26.09	10,302	18.33
SGD	6,143	9.91	8,054	11.01	10,550	18.78
EUR	987	1.59	1,722	2.35	39	0.07
JPY	-	-	5	0.01	-	-
RMB	2	*	-	-	-	-
Total	62,025	100.00	73,174	100.00	56,187	100.00

Note:-

* Negligible.

In view of the above currency exposure, we are subject to fluctuations in USD, SGD, EUR, JPY and RMB. It should also be noted that while our revenue is denominated in USD and a significant portion of our purchases (apart from RM) is denominated in USD, which to a certain extent, provides a natural hedge, our Group remains exposed to foreign exchange fluctuations arising from foreign currencies sales and purchases as well as timing differences between billings and settlements. Further details on the impact of foreign exchange fluctuation risks on our business operations are set out in **Section 11.3.6** of this Prospectus.

Our Group may enter into forward foreign exchange contracts to partially manage our foreign exchange exposure. However, there can be no assurance that such hedging arrangements will be sufficient to mitigate the impact of adverse foreign exchange movements, or that future fluctuations in foreign exchange rates will not have a material adverse effect on the financial performance of our Group.

4.1.8 We may be adversely affected by system malfunctions, quality issues or product defects

Our Group designs and supplies cleanroom AMHS solutions that are deployed within our customers' manufacturing operations, where reliability and strict conformance to technical specifications are critical. While we have implemented QA/QC testing measures to prevent the occurrence of product defects and malfunction incidents, there can be no assurance that our AMHS solutions will not have any defects or experience malfunctions that may lead to the disruption of our customers' operations.

We are obligated to ensure that our cleanroom AMHS solutions function in accordance with our customers' technical and operational specifications. Any failure to meet such requirements, or the occurrence of defects or malfunctions following installation and commissioning of our AMHS solutions, may result in additional costs arising from repairs, replacements, or other corrective work, which could adversely affect our Group's reputation and financial performance.

4. RISK FACTORS (CONT'D)

In addition, quality-related concerns or system performance issues, particularly if recurring or not resolved in a timely manner, may affect customer confidence in our solutions and influence customers' decisions relating to future project awards or follow-on engagements with our Group. Any such developments may also affect our Group's industry standing and demand for our solutions.

Further, there can be no assurance that quality-related issues, warranty claims or customer concerns will not arise in the future, which could adversely affect our Group's business operations and financial performance.

4.1.9 **We rely on third-party vendors for the quality of the fabrication of parts for our cleanroom AMHS solutions as well as the installation and commissioning of our AMHS solutions**

Our Group undertakes in-house fabrication for certain components of our cleanroom AMHS solutions and selectively outsources the following fabrication functions to the third-party fabricators:-

- (i) less critical parts for our cleanroom AMHS solutions (such as shafts, pulleys and sheet metal covers) to third-party fabricators as such arrangement is deemed to be more cost-effective as opposed to our Group fabricating these parts in-house; and
- (ii) certain standardised critical parts for our cleanroom AMHS solutions (such as bearings, rollers, sensors and motors) as the third-party fabricators have the technical expertise and specialised equipment required to fabricate and produce these parts.

We engaged 51, 54 and 65 third-party fabricators in the FYE 2023, FYE 2024 and FYE 2025 respectively, and the outsourcing of fabrication works accounted for approximately 20.63%, 21.16% and 17.85% of our Group's total purchases in the FYE 2023, FYE 2024 and FYE 2025 respectively.

As a result thereof, we are dependent on our third-party fabricators to fabricate parts that meet our specifications in accordance with our fabrication schedule. Any shortage of third-party fabricators or unexpected disruptions in the fabrication works outsourced by our Group may adversely affect our business operations by causing delays in the delivery of our AMHS solutions. Although our Group reviews the performance of our third-party fabricators on an annual basis, any decrease in quality of the parts fabricated by our third-party fabricators will result in our Group incurring additional costs to rectify the part issues. In the event of any such unexpected disruptions or decrease in quality, there is no assurance that we will be able to engage other existing or new third-party fabricators to manufacture the required parts in a timely manner or at similarly competitive prices. Further, any increase in the price of third-party fabrication services will result in an increase in our cost of sales, which may in turn adversely affect our financial performance.

Our Group may also engage third-party service providers on a project-by-project basis to support certain aspects of the installation and commissioning of our AMHS solutions. For installation and commissioning activities involving third-party service providers, our Group deploys our project engineers to undertake management and supervision of such activities and ensure compliance with technical specifications and conformance with our customers' operational requirements. Nevertheless, any shortage, underperformance or unavailability of these third-party service providers may result in delays in project execution, increased costs or quality issues, which could adversely affect our business operations, reputation and financial performance.

Notwithstanding the above, we have not experienced any material shortage of third-party vendors, unexpected disruptions to our outsourced fabrication works or installation and commissioning works, material decrease in quality of parts manufactured by our third-party fabricators or increase in price of third-party vendor services which resulted in material disruptions to our operations, product rectification costs incurred or negatively affect our financial performance during the financial years under review and up to the LPD. However, there can be no assurance that we will not face such incidences in the future.

4. RISK FACTORS (CONT'D)

4.1.10 Our future growth depends on our ability to execute our future plans and business strategies

Our future plans and business strategies are as follows:-

- (i) expansion of our Group's facilities through the establishment of a New Facility;
- (ii) overseas business expansion through setting up sales and engineering support offices in Asia, Europe and the USA; and
- (iii) strengthening of our R&D capabilities through continuous development and refinement of our AMHS solutions as well as recruitment of additional R&D engineers.

Please refer to **Section 6.23** of this Prospectus for further information on our future plans and business strategies.

The implementation of our future plans and business strategies will require capital expenditures, operational expenditures and other working capital requirements, which are expected to increase our Group's overall operational cost, including overhead costs. Hence, if we are unable to generate sufficient revenue following the execution of such future plans and strategies, our profitability may be adversely affected. In addition, any delays in completion or cost overruns in respect of our existing or proposed expansion plans may adversely affect our Group's financial performance and constrain our ability to pursue other growth opportunities.

Further, the feasibility and implementation of our future plans and business strategies may be subject to factors beyond our control, including unfavourable economic conditions or changes in the political and regulatory environment in jurisdictions where our Group operates or maintains a presence, primarily Malaysia, the USA and Singapore, as well as in the key markets in which our customers are located, including Asia and Europe. Accordingly, our future plans may not materialise in a timely manner or with the expected benefits, which in turn may adversely affect our profitability and future prospects.

As such, there is no assurance that the execution of our future plans and business strategies will yield expected results in expanding our business, nor can we guarantee the successful implementation of our future plans and business strategies. In the event of such failure, our business operations and financial performance may be adversely impacted.

4.1.11 Our business operations are exposed to unexpected interruptions or delays caused by unexpected equipment failures, electricity failures, fires and environmental factors (including natural disasters)

We rely on the utilisation of machineries and equipment to carry out the in-house fabrication, assembly and QA/QC testing of cleanroom AMHS solutions at our Bayan Lepas Facility. These machineries and equipment may encounter unforeseen failures or damages during their operation, leading to temporary downtime. In addition, as our assembly and QA/QC testing activities are dependent on continuous and uninterrupted supply of electricity, any major disruptions to the supply of electricity may result in interruptions in our operations.

Further, our business operations may be affected by the occurrence of fires and natural disasters, which may cause damage or destruction to all or part of our factory, machineries and equipment. In the event of such unexpected incidences, our business operations may experience interruptions or prolonged suspension, which may consequently affect our ability to fulfil our customers' orders in a timely manner. Further, any material damage to our factory, machineries and equipment may result in our Group incurring significant costs for repair, refurbishment and/or replacement, which may adversely impact our financial performance.

4. RISK FACTORS (CONT'D)

Our Group has not experienced any occurrences of unexpected equipment failures, electricity failures, fires or environmental disasters which had led to material damage to our inventory and facilities, unanticipated downtime or prolonged disruption to our operations during the financial years under review and up to the LPD. However, there can be no assurance that such incidences will not occur in the future. Further, although we may be able to outsource the assembly activities of our cleanroom AMHS solutions in the event of any unforeseen failures or damages to our equipment or facilities, the occurrence of any such incidences may result in disruptions to our business operations and additional costs incurred, which may, in turn, adversely impact our business operations and financial performance.

4.1.12 Our insurance coverage may be inadequate to cover all losses or liabilities that may arise in connection with our operations

We maintain insurance to protect against a variety of losses and liabilities for our business operations. As at the LPD, the insurance policies maintained by our Group include fire, flood, burglary, public liability, freight insurance, group hospitalisation and surgical scheme as well as travel insurance.

Despite the above, there is no assurance that our insurance coverage is sufficient to cover all damages, losses and liabilities that may arise in connection with our Group's operations. In the case of uninsured losses or losses in excess of our insured limits, we may be required to bear such damages, losses and liabilities out of our own funds, which could adversely affect our business, financial conditions and results of operations.

Moreover, we may be subject to the risk of non-renewal of our existing insurances or failure to obtain the type of insurances and coverage amount that we require at reasonable rates. If we were to incur a significant loss or liability for which we were not fully insured, the additional cost incurred by our Group may adversely affect our financial performance.

4.2 Risks relating to the industry in which we operate

4.2.1 We are dependent on the semiconductor industry and we face changes and uncertainties in the end-user industries for semiconductors

Our customers comprise front-end and back-end semiconductor production companies, including IDMs, semiconductor foundries and OSATs, and our revenue is therefore directly dependent on capital expenditure within the semiconductor industry. Demand for our AMHS solutions arises mainly from greenfield projects (involving the construction of new production facilities) and brownfield projects (involving the expansion or upgrades to existing production facilities such as capacity expansion, layout optimisation, automation enhancements and equipment replacement). Accordingly, our ability to secure projects and generate revenue depends on the scale, timing and continuity of these investments.

The semiconductor industry is cyclical and influenced by global supply and demand conditions, inventory adjustments, macroeconomic factors, government incentive programmes, geopolitical developments, export control regimes and localisation policies. During periods of industry downturns or heightened uncertainty, semiconductor production companies may defer, reduce or cancel planned capital expenditure, which may lead to fewer AMHS project tenders, delays in project mobilisation, reduced revenue visibility, underutilisation of resources and slower recovery of project costs. A sustained downturn in the semiconductor industry or prolonged reduction in capital expenditure would adversely affect our business and financial performance.

4. RISK FACTORS (CONT'D)

Semiconductor demand is further driven by conditions in its end-user industries, including the E&E industry. Changes in consumption patterns, product life cycles, technology adoption or investment cycles within these sectors may affect semiconductor production volumes and alter long-term semiconductor manufacturing and capacity expansion roadmaps. As AMHS solutions form part of the core manufacturing infrastructure within semiconductor manufacturing operations, any reduction or delay in such capital expenditure may result in fewer project opportunities, delayed project awards, or reduced order sizes for our Group.

Further, it is imperative that our Group observes the latest technology developments and responds timely to the market trends through our continuous R&D efforts to design and adopt new technology in a timely and cost-effective manner, spearheaded by our Promoter, substantial shareholder and Executive Director / CEO, Ryo Narisawa, together with our Director of R&D, Lee Junyi. If we are unable to anticipate or adapt to changes in technology and customer requirements, existing customers may reduce their reliance on our solutions and may migrate to alternative AMHS solutions providers, which may adversely affect our revenue and financial performance. Evolving industry standards or manufacturing requirements may also reduce the applicability of our AMHS solutions or necessitate substantial redesign, and hence we may incur additional development costs without assurance of commercial acceptance. Any failure to align our AMHS capabilities with the technological shifts may result in reduced demand for our solutions and weaken our competitive position.

While our Group has not encountered any incidents where the technology used for our products became obsolete and were no longer demanded by customers, there is no assurance that such incidents will not occur in the future if we fail to adapt our technology in a timely manner due to factors beyond our control, or if we fail to invest in new technology or are unable to attract suitable talents.

4.2.2 We face competition from industry players in the global semiconductor AMHS industry

We delivered our solutions to customers located across the regions of Asia, Europe and North America during the financial years under review. Please refer to **Sections 6.3.2** and **11.3.2** of this Prospectus for the breakdown of revenue derived from these geographical locations in the financial years under review. According to the IMR Report in **Section 7** of this Prospectus, the semiconductor AMHS industry is global in nature, with IDMs, semiconductor foundries and OSATs sourcing for semiconductor AMHS solutions globally. In Malaysia, semiconductor AMHS industry players comprise local companies and multinational companies with presence in Malaysia, with or without locally incorporated entities in Malaysia. As such, in addition to competing with local companies and multinational companies with presence in Malaysia, industry players in Malaysia also compete with foreign industry players.

Due to the global nature of the semiconductor AMHS industry, we are positioned to serve customers from any geographical region, and we are not bound by any geographical restrictions. As such, we face competition from other companies with an established track record in offering semiconductor AMHS solutions globally.

Apart from existing industry players, we may also face competition from new industry players who have the capital and technical expertise to provide similar semiconductor AMHS solutions to IDMs, semiconductor foundries and OSATs. Failure to remain competitive may adversely impact our Group's ability to remain sustainable, in terms of securing sales from existing customers at current or increased levels, as well as to attract new customers, which in turn may affect our Group's financial performance.

4. RISK FACTORS (CONT'D)

4.2.3 We are subject to risk relating to the economic, political and/or legal environment in the markets in which we operate and serve

While our principal operations are based in Malaysia, a significant portion of our revenue is derived from overseas customers across Asia, Europe and North America. Our overseas sales accounted for 41.30%, 36.89% and 55.42% of our total revenue in the FYE 2023, FYE 2024 and FYE 2025 respectively. We are hence affected by the economic, political and/or legal conditions in the geographical markets where we transact business or have interests, making us increasingly susceptible to the risks caused by these conditions. Please refer to **Sections 6.3.2** and **11.3.2** of this Prospectus for the breakdown of revenue derived from these geographical regions in the financial years under review.

Any adverse economic and political developments which may influence consumer confidence and spending in the geographical markets where we transact business may materially or adversely affect our operations and financial performance. Such developments include but are not limited to unemployment trends, imposition of tariffs or international trade sanctions, changes in government fiscal and monetary policies, political leadership, terrorism, nationalisation as well as deterioration of international bilateral relationships. Further, conducting business in foreign markets also requires us to comply with foreign laws and regulations covering many aspects of our operations, including trade laws and licensing regulations, and these laws and regulations may change from time to time, which is beyond our control. Any such changes may increase our cost of doing business in certain markets and adversely affect our competitiveness.

While we have not encountered any disruptions to our business operations resulting from economic and political developments or changes to laws and regulations in the markets in which we transact during the financial years under review, there can be no assurance that any adverse economic, political and/or legal developments will not materially affect our business operations and financial performance in the future.

4.3 Risks relating to investment in our Shares
4.3.1 There has been no prior market for our Shares

Prior to our IPO, there has been no public market for our Shares. Hence, there is no assurance that upon our Listing, an active market for our Shares will develop, or if developed, that such market will be sustainable. There is no assurance as to the liquidity of any market that may develop for our Shares, the ability of holders to sell our Shares or the selling prices at which holders would be able to obtain for our Shares.

There can be no assurance that the IPO Price will correspond to the price at which our Shares will trade on the Main Market upon our Listing and that the market price of our Shares will not decline below the IPO Price.

4.3.2 There may be delay in or cancellation of our Listing

Our Listing could be delayed or terminated due to the possible occurrence of certain events, which include the following:-

- (i) the Underwriter exercising its rights pursuant to the Underwriting Agreement to discharge itself from its obligations under such agreement; or
- (ii) our inability to meet the minimum public shareholding spread requirement pursuant to Paragraph 3.06 of the Listing Requirements of having at least 25% of the total number of our Shares for which our Listing is sought being in the hands of at least 1,000 public shareholders holding at least 100 Shares each at the point of our Listing; or

4. RISK FACTORS (CONT'D)

- (iii) the revocation of approvals from relevant authorities prior to our Listing or admission to the Official List for whatever reason.

Where prior to the issuance and allotment of our IPO Shares:-

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled, and our Company or such other person who received the monies shall repay all monies paid in respect of the Applications for our IPO Shares within 14 days of the stop order, failing which the Company shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or
- (ii) our Listing is aborted, investors will not receive any of our IPO Shares and all monies paid in respect of the Applications for our IPO Shares will be refunded free of interest.

Where subsequent to the issuance and allotment of our IPO Shares:-

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our IPO Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, the Company shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC under Section 245(1) of the CMSA, a return of monies to our shareholders could only be achieved by way of a cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented by the sanction of our shareholders by way of special resolution in a general meeting and supported by either:-
 - (a) consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances; or
 - (b) a solvency statement from our Board.

4.3.3 There may be volatility of our Share price and trading volume

The market price and trading volume of our Shares may fluctuate as a result of variations in the liquidity of the market for our Shares, differences between our actual financial operating results and those expected by investors and analysts, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

The performance of Bursa Securities is also affected by external factors such as the performance of regional and world bourses, inflow or outflow of foreign funds, economic and political conditions of the country as well as growth potential of various sectors of the economy. Other factors that may negatively affect investor sentiment generally include natural disasters, health epidemics and outbreak of contagious diseases. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our Shares.

4. RISK FACTORS (CONT'D)

4.3.4 We may not have the ability to pay dividends or maintain our dividend policy

As part of our Board's guidance on dividends, we aim to declare a certain portion of our PAT attributable to the owners of our Company for each financial year, subject to the approval of our Board as well as any applicable laws and contractual obligations, and provided that such distribution will not be detrimental to our cash requirements or any plans approved by our Board. Please refer to **Section 11.6** of this Prospectus for further information on our dividend policy.

We propose to pay dividends after setting aside the necessary funds for capital expenditure and working capital, and subject to compliance with applicable legal and regulatory requirements. Any future declaration of dividends will also take into account any restrictive covenants that may be imposed under financing arrangements entered into by our Group from time to time, and shall not exceed our distributable profits. We believe that we have sufficient working capital for the next 12 months from the date of this Prospectus, based on our cash generated from our operating activities, cash and bank balances and the gross IPO proceeds of approximately RM[●] million. However, there is no assurance that our working capital will be sufficient or that we will be able to make dividend payments in the future. Even if we are able to pay dividends, our Board may decide, in its sole and absolute discretion, at any time and for any reason, not to pay dividends or to pay smaller dividends than we currently propose. Further, if we incur any borrowings subsequent to our Listing, we may be subject to additional covenants restricting our ability to pay dividends. If we do not pay dividends or we pay dividends at levels lower than anticipated by investors, the market price of our Shares may be negatively affected and the value of your investment in our Shares may be reduced.

Our Group's ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profits recorded and excess of funds not required to be retained for working capital of our business.

It should be highlighted that as we are a holding company, our Company's income, and therefore our ability to pay dividends, is dependent on the dividends and other distributions that we receive from our subsidiaries. Our subsidiaries may enter into facility agreements in the future which may contain negative and financial covenants. Any failure by our subsidiaries to comply with such covenants could restrict our Group's ability to declare or pay dividends. Furthermore, if we were to obtain new borrowings subsequent to our Listing, we may be subject to additional covenants restricting our ability to pay dividends.

There can be no assurance that dividends will be paid out in the future or on the timing of any dividends that are to be paid in the future. If we do not pay dividends or pay dividends at levels lower than that anticipated by investors, the market price of our Shares may be negatively affected.

4.3.5 The interest of our Promoters who control our Group may not be aligned with the interest of our shareholders

As disclosed in **Section 8.1.1** of this Prospectus, our Promoters will, directly or indirectly, collectively hold in aggregate 59.26% of our enlarged number of issued Shares upon our Listing. As a result, our Promoters will collectively be able to, in the foreseeable future, effectively control the business direction and management of our Group including the election of our Directors, the timing and payment of dividends as well as having majority voting control over our Group and as such, will likely influence the outcome of matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law and/or by the relevant guidelines or regulations. There can be no assurance that the interests of our Promoters always will be aligned with those of our other shareholders.

4. RISK FACTORS (CONT'D)

4.4 Other risks

4.4.1 Forward-looking statements in this Prospectus are subject to uncertainties and contingencies

Certain statements or expectations or forecasts in this Prospectus are based on historical data which may not be reflective of future results. Forward-looking statements in this Prospectus are based on assumptions and subject to uncertainties and contingencies.

Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure you that such expectations will subsequently materialise.

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5. INFORMATION ON OUR GROUP

5.1 Our Company

Our Company, Stratus Global Holdings Berhad (Registration No.: 202501019963 (1621376-M)) was incorporated in Malaysia on 7 May 2025 under the Act as a private limited company under the name of Stratus Global Holdings Sdn Bhd for the purpose of facilitating the Pre-IPO Restructuring as set out in **Section 5.4** of this Prospectus. On 25 November 2025, our Company was converted into a public limited company and assumed our present name.

The principal activity of our Company is investment holding whilst our subsidiaries are principally involved in the provision of factory automation solutions, specialising in cleanroom AMHS solutions. Further details on our subsidiaries are set out in **Section 5.6** of this Prospectus.

Further details on our Group's history and business activities are set out in **Sections 5.2** and **6.1** of this Prospectus respectively.

5.2 History of our Group

Year	Key milestones
Our history in the USA	
1998	<ul style="list-style-type: none"> The history of our Group began with the incorporation of Stratus Technologies Corporation on 10 September 1998 in the State of California, USA (in which the company subsequently underwent a name change to Stratus Automation Corporation ("SACO California") on 28 September 1998) by our founder as well as Promoter, substantial shareholder and Executive Director / CEO, Ryo Narisawa. SACO California commenced business in the provision of cleanroom AMHS solutions. In the early years, SACO California was operating from a home office in Fremont, California, whereby we carried out R&D of cleanroom AMHS solutions, and outsourced the fabrication, assembly and testing of AMHS parts to third-party service providers.
1999	<ul style="list-style-type: none"> In May 1999, SACO California subsequently relocated to a rented industrial lot in Union City, California. Given a larger floor space (as opposed to operating from a home office), we expanded our business to include the assembly, testing, installation and commissioning of cleanroom AMHS solutions, while we continued to outsource the fabrication of AMHS parts to third-party service providers.
2003	<ul style="list-style-type: none"> In September 2003, SACO California subsequently relocated to a rented industrial lot (with a built-up area of 3,420 sq ft) located in Union City, California ("Union City Factory 2") as we needed to increase our spatial capacity for the expansion of our business.
2005	<ul style="list-style-type: none"> In 2005, we registered SACO California in the State of Washington as a foreign profit corporation to support our business operations in Washington.
2006	<ul style="list-style-type: none"> In January 2006, we rented an industrial lot in Kent, Washington ("Kent Factory 1") for the relocation of our operations to Washington. Following this, Ryo Narisawa incorporated SACO in the State of Washington, USA, on 16 February 2006 and we ceased our operations in Union City Factory 2.
2009	<ul style="list-style-type: none"> In November 2009, we ceased the rental of our Kent Factory 1. Subsequently, in December 2009, we relocated to another rented industrial lot with an office and manufacturing space (with a built-up area of approximately 9,042 sq ft) located in Kent, Washington ("Kent Factory 2").

5. INFORMATION ON OUR GROUP (CONT'D)

Year	Key milestones
2015	<ul style="list-style-type: none"> Over the years, we gradually expanded our production capacity and, in August 2015, we rented another factory (with a built-up area of approximately 23,080 sq ft) located in Kent, Washington ("Kent Factory 3"). Kent Factory 3 operated concurrently with Kent Factory 2 to house our offices and function as a facility for the manufacturing and distribution of custom automation equipment.
Strategic decision to operate in Malaysia	
2016	<ul style="list-style-type: none"> Having witnessed the increasing labour costs and experienced difficulty in hiring due to shortage of skilled engineers in the USA over the years, Ryo Narisawa began seeking a strategy to optimise our operating costs and gain better access to talent. Ryo Narisawa subsequently identified Penang, Malaysia as a suitable location to set-up a fabrication plant after taking into consideration, amongst others, Penang, Malaysia being widely recognised as the regional electronic and manufacturing hub, his familiarity with the business environment in Malaysia (through his previous work experiences) and the low operating costs (as compared to the USA). This led to the incorporation of SASB in April 2016. We commenced operations in Malaysia in a rented office unit located in Sungai Ara, Penang ("Sungai Ara Office"), in which we carried out R&D, design as well as small-scale assembly and testing of our AMHS solutions. We also began outsourcing the fabrication of AMHS parts to third-party fabricators in Malaysia. In the interim, we continued our operations in Washington, USA, with SACO gradually assuming the primary role of serving as a sales and procurement arm to secure new orders for AMHS solutions and to also act as engineering support office, while SASB progressively undertook the fabrication and product delivery functions from SACO in stages. Ryo Narisawa led the operations of our business in Penang, Malaysia as our CEO. He also oversaw the gradual scaling down of our operations in Washington, USA with the aim to fully relocate our fabrication and product delivery functions from the USA to Penang, Malaysia ("Relocation of Operations") with SACO primarily serving as a sales and procurement office to service our customers in the USA.
Relocation to our current factory in Bayan Lepas, Penang, Malaysia	
2017	<ul style="list-style-type: none"> In anticipation of our business growth, in January 2017, we relocated our operations from the Sungai Ara Office to a rented industrial lot located in Jalan Sungai Tiram, Penang, Malaysia ("Sungai Tiram Factory"). With the additional floor space, we increased the scale of our assembly and testing of our AMHS solutions. We ceased our operations in Kent Factory 3 in July 2017, following the commencement of our Relocation of Operations. In August 2017, we further expanded our operations when we rented another industrial lot located adjacent to the Sungai Tiram Factory.
2018	<ul style="list-style-type: none"> Driven by the continuing growth of our business since our relocation to Penang, Malaysia, in March 2018, we acquired the entire equity interest in Orthomedic Medical Devices Sdn Bhd, an investment holding company and the owner of a 2-storey factory with a built-up area of approximately 42,161 sq ft ("Bayan Lepas Factory 1") located on a piece of industrial leasehold land measuring approximately 88,479 sq ft in Bayan Lepas Industrial Park, Bayan Lepas, Penang, Malaysia ("Bayan Lepas Land"). We relocated our operations from the Sungai Tiram Factory to Bayan Lepas Factory 1 in September 2018. With the additional space at Bayan Lepas Factory 1, we began carrying out in-house fabrication of AMHS components and further increased the scale of our AMHS assembly and testing operations. In December 2018, we ceased our operations in Kent Factory 2 and fully completed the Relocation of Operations to Penang, Malaysia.

5. INFORMATION ON OUR GROUP (CONT'D)

Year	Key milestones
2021	<ul style="list-style-type: none"> In February 2021, SASB acquired the entire equity interest in SACO. Further, as part of our ongoing expansion, we began construction of our second factory, being a 4-storey factory (with a built-up area of approximately 73,105 sq ft) on the remaining area of our Bayan Lepas Land ("Bayan Lepas Factory 2"). In July 2021, we incorporated SAPL to service our customers in Singapore.
2022	<ul style="list-style-type: none"> In March 2022, Ryo Narisawa relocated to Penang to lead and oversee the operations of our Group. He initially managed the business remotely from Washington, USA with periodic trips to Penang, Malaysia, prior to his relocation to Penang, Malaysia. The construction of our Bayan Lepas Factory 2 was completed in December 2022. With this, we further increased the scale of our in-house fabrication of AMHS components as well as our assembly and testing operations for our AMHS solutions.
Our Group's expansion of our AMHS solutions and customer-base	
1998	<ul style="list-style-type: none"> Following the commencement of our business operations comprising the R&D of our cleanroom AMHS solutions in 1998, we began developing our conveyor-based AMHS. Our conveyor-based AMHS functioned in transporting critical materials between production floor areas within semiconductor facilities.
2000	<ul style="list-style-type: none"> We recorded the first sale of our conveyor-based AMHS to a multinational company located in the USA which is principally involved in the provision of data storage technology and infrastructure solutions.
2004	<ul style="list-style-type: none"> As our AMHS solutions expanded in scale and complexity, we began developing our proprietary TCS (namely, <i>IntelliMove</i>) to automate, control and manage the operations of our AMHS.
2007	<ul style="list-style-type: none"> We commercialised and began adopting our proprietary TCS in our AMHS solutions in 2007.
2008	<ul style="list-style-type: none"> Leveraging on our engineering and technical expertise, we continued carrying out R&D activities and began developing our ASRS, namely our T-type stocker and R-type stocker. Our T-type stocker, which is an automated intra-floor storage system, functioned in providing compact, high-density storage of carriers within the same production floor level whilst our R-type stocker, which is an automated inter-floor vertical storage system, functioned in providing compact, high-density storage of materials within an elevator shaft and serves as both storage as well as inter-floor transportation system.
2014	<ul style="list-style-type: none"> We recorded the first sale of our T-type stocker to a multinational company located in the USA which is principally involved in the provision of data storage technology and infrastructure solutions as well as Customer A Group. In the same year, we also recorded the first sale of our R-type stocker to a dental device company.

5. INFORMATION ON OUR GROUP (CONT'D)

Year	Key milestones
2016	<ul style="list-style-type: none"> We recorded the first sale of our AMHS solutions to Customer D Group. Driven by the increasing demand from semiconductor manufacturers to optimise the use of factory space and to reduce reliance on human labour, we began developing our OHT system which functioned in carrying critical materials in individual carriers above production floor areas (via the OHT vehicle, which is a vehicle with hoist that runs on ceiling-mounted rail tracks) and automating the loading and unloading of the carriers. In the same year, we developed our hybrid AMHS, which comprises an integration of our conveyor-based AMHS with the OHT system. While a standalone conveyor-based AMHS requires human labour for the loading and unloading of carriers, the integration of the conveyor-based AMHS and OHT system allows for fully automated material handling processes. Hence, with the development of our hybrid AMHS, we were able to offer customers a wider range of factory automation solutions to support their manufacturing and assembly/testing processes.
2019	<ul style="list-style-type: none"> Through continuous R&D activities, we began developing our zero-footprint stocker, which is an automated overhead storage system that provides high-capacity storage by utilising ceiling space and serves as intra-bay near-tool buffer.
2020	<ul style="list-style-type: none"> We recorded the first sale of our hybrid AMHS to Customer B.
2021	<ul style="list-style-type: none"> We began providing our AMHS solutions to Customer E and Customer G.
2022	<ul style="list-style-type: none"> We recorded the first sale of our zero-footprint stocker to Customer B.

5.3 Share capital

Our issued share capital as at the LPD is RM192,171,950 comprising 893,750,000 Shares. The changes in our Company's issued share capital since incorporation up to the LPD are as follows:-

Date of allotment	No. of Shares allotted	Nature of transaction	Consideration	Cumulative issued share capital	
				RM	No. of Shares
7 May 2025	2	Allotment of Shares	Cash	2	2
10 September 2025	19,998	Allotment of Shares	Cash	20,000	20,000
11 November 2025	893,730,000	Acquisition of SASB	Otherwise than cash ⁽¹⁾	192,171,950	893,750,000

Note:-

- (1) Issuance of new Shares to fully satisfy the purchase consideration set out in the conditional share sale agreement dated 11 November 2025 entered into between our Company and the shareholders of SASB in respect of the Acquisition of SASB for the purposes of facilitating our IPO. Further details of the Acquisition of SASB are set out in **Section 5.4** of this Prospectus.

We do not have any outstanding warrants, options, convertible securities or uncalled capital in respect of the Shares in our Company as at the LPD. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of consideration for the above allotments.

Upon completion of our IPO, our enlarged issued share capital will increase to RM[●], comprising 1,250,000,000 Shares, after deducting the estimated listing expenses of RM[●] million which is assumed to be directly attributable to the Public Issue and will be debited against our share capital.

5. INFORMATION ON OUR GROUP (CONT'D)**5.4 Pre-IPO Restructuring**

For the purposes of facilitating our IPO, we have undertaken an internal reorganisation exercise, which involved the Acquisition of SASB as set out below.

On 11 November 2025, our 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 Shares at an issue price of RM0.215 per Share in the following manner:-

Vendors	No. of shares in SASB	%	No. of Shares issued
Jiyuan	2,600,000	58.18	520,000,000
Beh Lai Lien	574,284	12.85	114,856,800
Ryo Narisawa	181,103	4.05	36,220,600
Tan Chan Chin	321,783	7.20	64,356,600
Lai Siaw Ling	270,015	6.04	54,003,000
Masuko Narisawa	228,162	5.11	45,632,400
Ooi Eng Guan	120,180	2.69	24,036,000
Wong Pow Keong	120,180	2.69	24,036,000
Yap Kim Seng	52,943	1.19	10,588,600
Total	4,468,650	100.00	893,730,000

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 our wholly-owned subsidiary.

The Shares allotted and issued pursuant to the Acquisition of SASB rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of allotment and issuance of the new Shares.

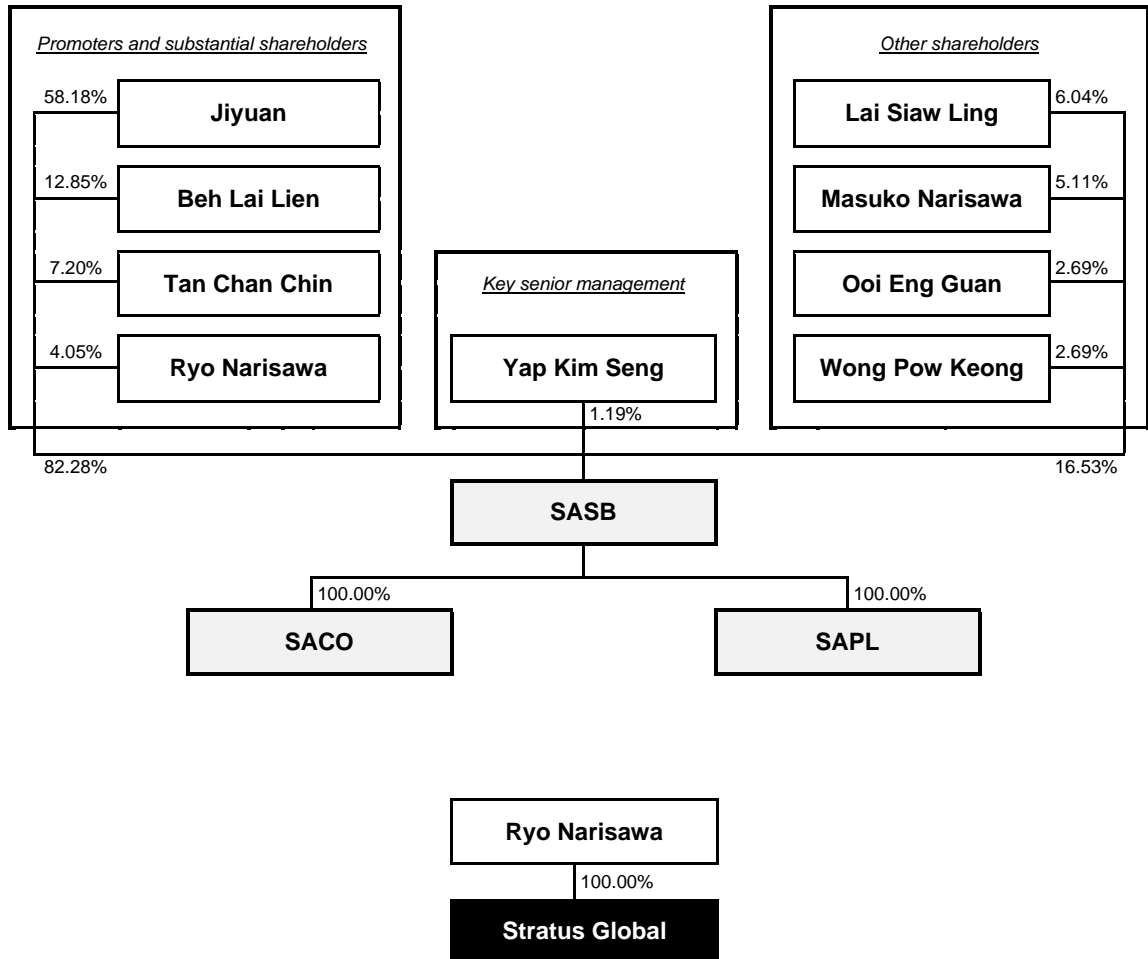
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5. INFORMATION ON OUR GROUP (CONT'D)

5.5 Our Group structure

Our Group structure before and after the Pre-IPO Restructuring and after our IPO is set out below:-

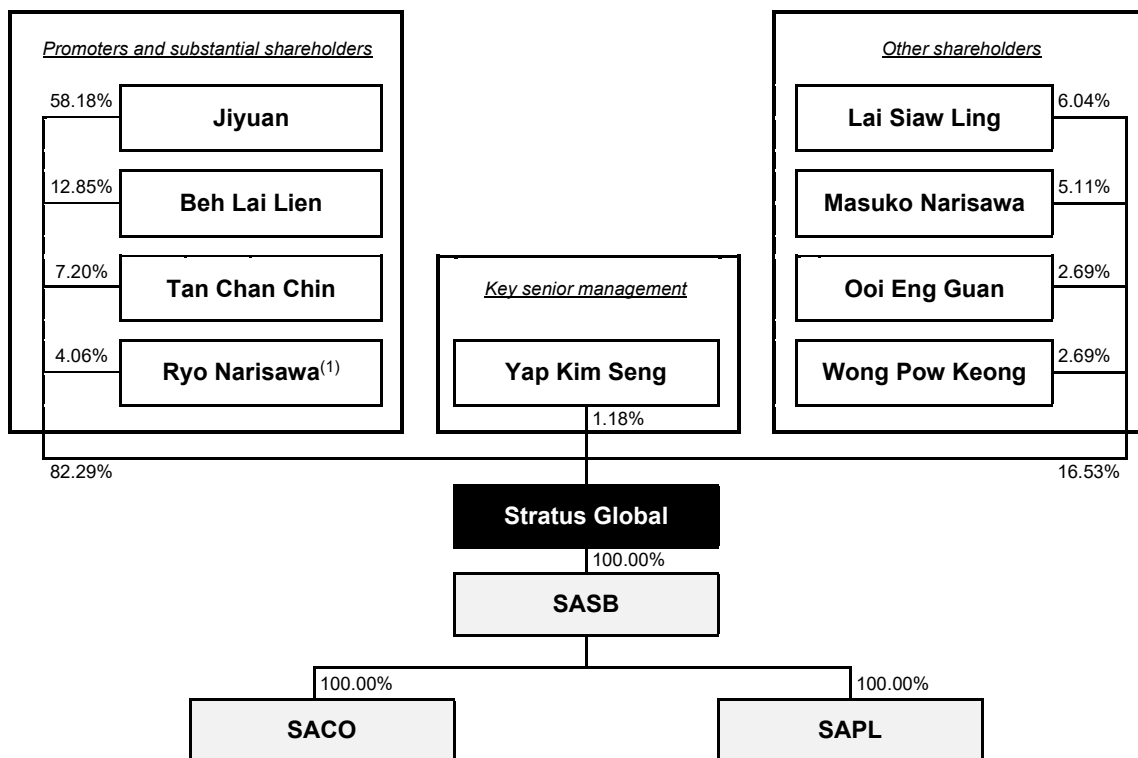
Before the Pre-IPO Restructuring



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5. INFORMATION ON OUR GROUP (CONT'D)

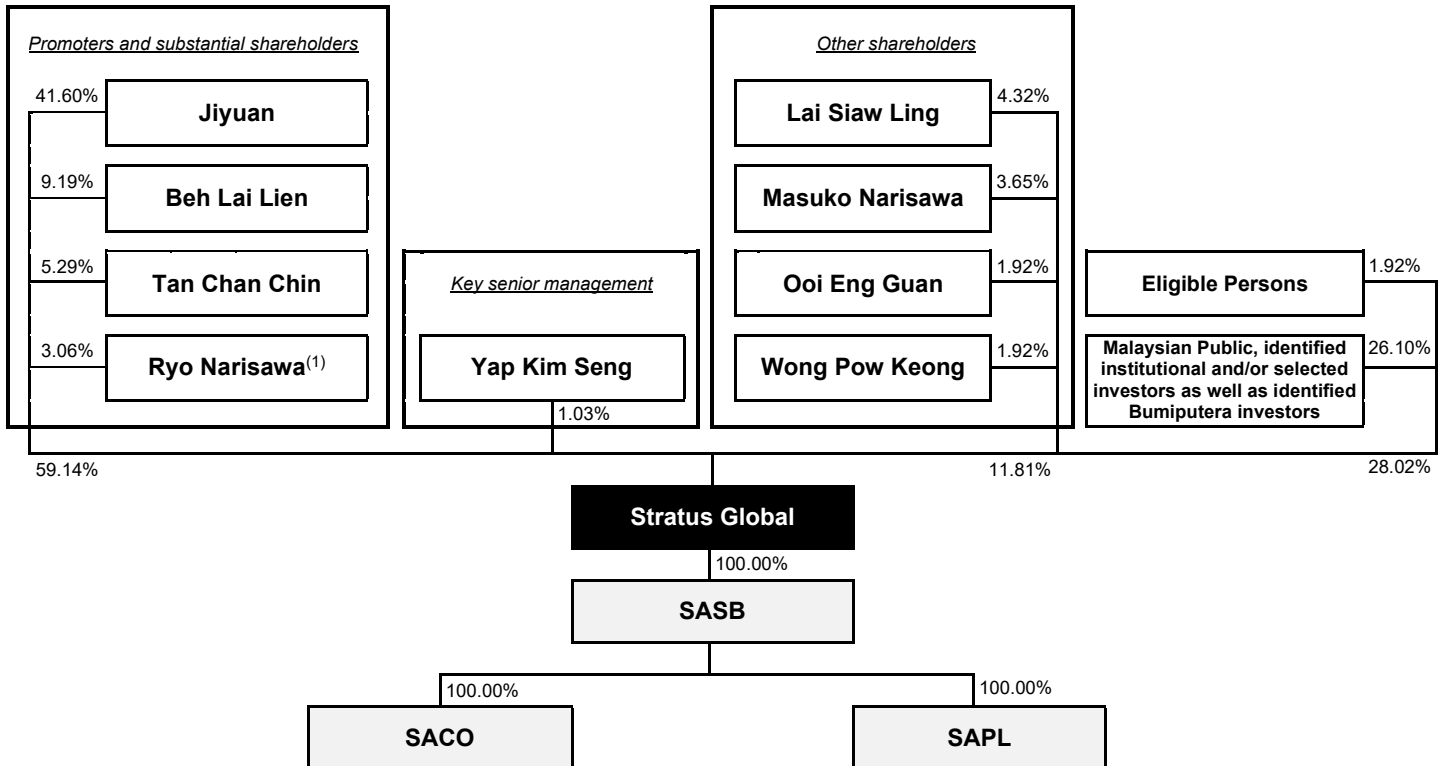
After the Pre-IPO Restructuring and as at the LPD



Note:-

- (1) Ryo Narisawa, our Promoter, substantial shareholder and Executive Director / CEO, holds an aggregate equity interest of 62.24% in Stratus Global, comprising a direct equity interest of 4.06% and an indirect equity interest of 58.18% held through Jiyuan (in which he is a major shareholder) as at the LPD. Further information on Jiyuan is set out in **Section 8.1.3(ii)** of this Prospectus.

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5. INFORMATION ON OUR GROUP (CONT'D)**After our IPO****Note:-**

- (1) Ryo Narisawa, our Promoter, substantial shareholder and Executive Director / CEO, holds an aggregate equity interest of 44.66% in Stratus Global, comprising a direct equity interest of 3.06% and an indirect equity interest of 41.60% held through Jiyuan (in which he is a major shareholder) after our IPO. Further information on Jiyuan is set out in **Section 8.1.3(ii)** of this Prospectus.

5.6 Our subsidiaries

The details of our subsidiaries as at the LPD are as follows:-

Company / Registration No.	Date / Place of incorporation	Principal place of business	Issued share capital	Effective equity interest	Principal activities
Held by Stratus Global					
SASB 201601013422 (1184353-T)	19 April 2016 (Malaysia)	Malaysia	RM4,468,650	100.0%	Design and manufacture of material handling system and equipment for cleanroom, factory automation and provision of related automation services
Held by SASB					
SACO 602-585-301	16 February 2006 (USA)	USA	USD420,199	100.0%	Design industrial automation system and machinery
SAPL 202124353N	12 July 2021 (Singapore)	Singapore	SGD50,000	100.0%	Provision of manpower contracting services (excluding IT manpower)*

5. INFORMATION ON OUR GROUP (CONT'D)

Note:-

- * *Our Group's in-house engineering division which undertakes installation and commissioning works for our AMHS solutions, where personnel are deployed to support project-specific activities at the customers' site in Singapore.*

(i) Information on SASB

SASB was incorporated on 19 April 2016 in Malaysia under the Companies Act 1965 as a private limited company under its present name and is deemed registered under the Act. SASB is principally involved in the designing and manufacturing of material handling system and equipment for cleanroom, factory automation and provision of related automation services. The principal place of business of SASB is at Plot 73-C, Lintang Bayan Lepas, Bayan Lepas Industrial Park, Phase 4, 11900 Bayan Lepas, Pulau Pinang.

The issued share capital of SASB is RM4,468,650 comprising 4,468,650 ordinary shares as at the LPD. There has been no change in the issued share capital of SASB for the past 3 years preceding the LPD.

SASB is a wholly-owned subsidiary of our Company subsequent to the completion of the Acquisition of SASB.

SASB has 2 wholly-owned subsidiaries, namely SACO and SAPL as at the LPD. SASB does not have any associate company or joint venture company as at the LPD.

(ii) Information on SACO

SACO was incorporated on 16 February 2006 in the USA under the General Corporation Law of Washington as a private limited company under its present name. SACO is principally involved in the designing of industrial automation system and machinery. The principal place of business of SACO is at 19207 101st Place SE, Renton, WA 98055-5310, USA.

The issued share capital of SACO is USD420,199 comprising 12,413,963 ordinary shares as at the LPD. There has been no change in the issued share capital of SACO for the past 3 years preceding the LPD.

SACO is a wholly-owned subsidiary of SASB.

SACO does not have any subsidiary, associate company or joint venture company as at the LPD.

(iii) Information on SAPL

SAPL was incorporated on 12 July 2021 in Singapore under the Singapore's Companies Act 1967 as a private company limited by shares under its present name. SAPL is principally involved in the provision of manpower contracting services (excluding IT manpower). The registered office of SAPL is at 80 Robinson Road #14-02 Singapore 068898.

The issued share capital of SAPL is SGD50,000 comprising 50,000 ordinary shares as at the LPD. There has been no change in the issued share capital of SAPL for the past 3 years preceding the LPD.

SAPL is a wholly-owned subsidiary of SASB.

SAPL does not have any subsidiary, associate company or joint venture company as at the LPD.

5. INFORMATION ON OUR GROUP (CONT'D)

As at the LPD:-

- (i) neither our Company nor our subsidiaries have any outstanding warrants, options, convertible securities or uncalled capital;
- (ii) none of our Shares and share capital in our subsidiaries were allotted and issued at a discount or have any special terms or any instalment payment terms. Our issued Shares and the issued shares of our subsidiaries are fully paid-up; and
- (iii) neither our Company nor our subsidiaries are involved in any bankruptcy, receivership or similar proceedings.

5.7 Public take-overs

From the beginning of the FYE 2025 up to the LPD, there were no:-

- (i) public take-over offers by third parties in respect of our Shares; and
- (ii) public take-over offers by our Company in respect of other companies' securities.

5.8 Material investments and material divestitures**5.8.1 Material investments**

Save for the Pre-IPO Restructuring as disclosed in **Section 5.4** of this Prospectus and the capital expenditures as disclosed below, there have not been any other material investments (including interests in other corporations) undertaken by our Group during the financial years under review and up to the LPD:-

	FYE 2023 (RM'000)	FYE 2024 (RM'000)	FYE 2025 (RM'000)	1 April 2025 up to the LPD (RM'000)
Capital expenditures				
<u>Property, plant and equipment</u>				
Buildings	-	⁽¹⁾ 473	-	-
Factory equipment	462	473	277	130
Air conditioners	-	21	-	-
Machinery	⁽²⁾ 1,571	⁽²⁾ 1,785	50	-
Office equipment, furniture and fittings	180	227	49	65
Computer	⁽³⁾ 635	⁽³⁾ 729	147	232
Motor vehicles	⁽⁴⁾ 371	-	-	158
Renovation	198	102	6	-
Capital work-in-progress	⁽⁵⁾ 7,348	954	50	-
	10,765	4,764	579	585

Notes:-

- (1) We incurred investment for buildings amounting to RM0.47 million in the FYE 2024, which relates to the construction of a cleanroom at our Bayan Lepas Facility to support our QA/QC testing process for our AMHS solutions.
- (2) We incurred investment for machinery amounting to RM1.57 million and RM1.79 million in the FYE 2023 and FYE 2024 respectively, which relates to the purchase of CNC milling machines for our in-house fabrication of AMHS hardware components such as conveyor frames, stocker frames, OHT frames and turntables.

5. INFORMATION ON OUR GROUP (CONT'D)

- (3) We incurred investment for computer amounting to RM0.64 million and RM0.73 million in the FYE 2023 and FYE 2024 respectively, which relates to the purchase of additional laptops to support our increasing workforce.
- (4) We incurred investment for motor vehicles amounting to RM0.37 million in the FYE 2023, which relates to the purchase of company car for our business operations.
- (5) We incurred capital work-in-progress amounting to RM7.35 million in the FYE 2023, which relates mainly to the construction of our Bayan Lepas Factory 2 comprising mainly of our production area.

Our material investments were funded via internally generated funds.

5.8.2 Material divestitures

Save for the capital divestitures as disclosed below, there have not been any other material divestitures (including interests in other corporations) undertaken by our Group during the financial years under review and up to the LPD:-

	FYE 2023 (RM'000)	FYE 2024 (RM'000)	FYE 2025 (RM'000)	1 April 2025 up to the LPD (RM'000)
Capital divestitures				
<u>Property, plant and equipment</u>				
Motor vehicles	-	170	-	158
	<u>-</u>	<u>170</u>	<u>-</u>	<u>158</u>

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6. BUSINESS OVERVIEW

6.1 Overview

We are a factory automation solutions provider, specialising in cleanroom AMHS solutions. Our solutions are primarily catered towards companies operating within the semiconductor industry, where our AMHS are designed primarily to transfer and store critical materials (such as silicon wafers and related components) within cleanroom or other controlled environments. By automating material movements, our solutions minimise idle time between processing stages, enhance throughput and sustain consistent manufacturing yield, all of which are productivity metrics essential to semiconductor manufacturing operations.

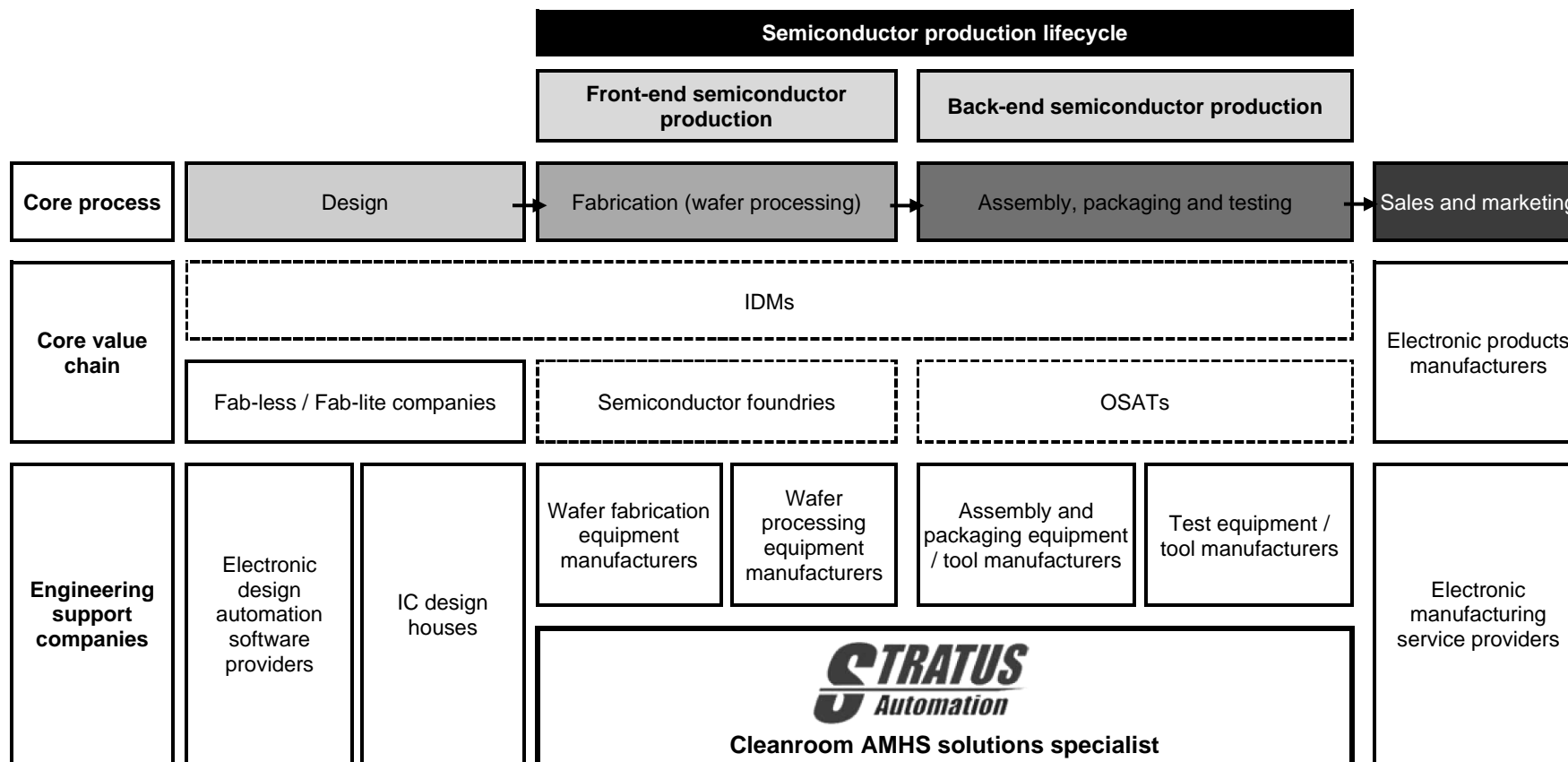
We have established our expertise since 1998 in providing end-to-end AMHS solutions, encompassing the design, fabrication, installation and commissioning of AMHS. Our AMHS solutions comprise conveyor-based AMHS, hybrid AMHS and ASRS, each tailored to meet the operational specifications and performance objectives of our customers. Leveraging on our in-house engineering and technical capabilities, we are able to customise our AMHS solutions to suit the specific operational layout, process flow and throughput requirements of our customers' manufacturing facilities. This enables streamlined production cycles, higher process precision and improved utilisation of process tools (as critical materials are transferred efficiently to minimise idle time between processing stages).

Over our 27 years of operations under the stewardship of our Promoter, substantial shareholder and Executive Director / CEO, Ryo Narisawa, we have established a strong reputation and proven track record in the AMHS segment, as evidenced by the expansion of our business operations and our growing international customer base, which primarily consists of foreign multinational semiconductor companies with operations in Malaysia as well as semiconductor manufacturers based in overseas.


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6. BUSINESS OVERVIEW (CONT'D)

Our solutions are catered towards supporting the semiconductor production lifecycle, covering both front-end and back-end semiconductor production segments, as set out below:-



Note:-

 Denotes our Group's customers within the value chain of the semiconductor industry.

6. BUSINESS OVERVIEW (CONT'D)

We primarily serve front-end semiconductor production companies, including IDMs and semiconductor foundries, for whom our AMHS solutions automate material transfer and wafer-handling processes across cleanroom manufacturing lines. We also serve back-end semiconductor production companies, including IDMs and OSATs.

The semiconductor industry, which forms our core market, is characterised as highly complex, throughput-intensive and volume-driven manufacturing and testing processes that necessitate automation, stringent QA/QC procedures and continuous operational efficiency. The common operational challenges faced by the semiconductor industry are set out below:-

High-value and highly sensitive materials	Semiconductors are high-value and highly sensitive products that must be handled in controlled environments to prevent contamination or damage. As such, even minor exposure to impurities or mishandling can cause defective wafers which in turn leads to lower manufacturing yields and material losses
Continuous movement of materials across multiple processing stages	Semiconductor production involves continuous movement and storage of large volumes of critical materials across multiple processing stages, each requiring precise timing and coordination to maintain consistent manufacturing yield, throughput and product quality
Increasing precision, traceability and consistency as well as capacity scaling requirements	The demand for greater precision, traceability and consistency increases as semiconductor devices become more advanced whilst semiconductor production companies continue to scale capacity and pursue higher levels of automation to sustain manufacturing yield stability in order to meet the growing market demand for semiconductor devices
Manual material handling in back-end semiconductor production processes	While front-end wafer fabrication is largely automated, manual material handling remains common in back-end assembly, packaging and testing processes, particularly for trays and packaged components. Such manual handling is time-consuming and more prone to human error or contamination, which increases operational cost and production risk

To achieve and sustain such operational demands, the deployment of AMHS has become an integral component of semiconductor production. AMHS automates the transfer of critical materials between process tools and storage locations, integrating with manufacturing execution systems to optimise scheduling, maintain continuous production flow and improve overall efficiency. By replacing manual transfers with automated, real-time controlled operations, AMHS reduces human contact, supports cleanroom contamination control and safeguards process integrity, thereby enabling higher throughput, improved process reliability and reduced manufacturing yield losses arising from human handling errors or contamination risks.

Further details on our AMHS solutions are set out in **Section 6.2.1** of this Prospectus.

6. BUSINESS OVERVIEW (CONT'D)

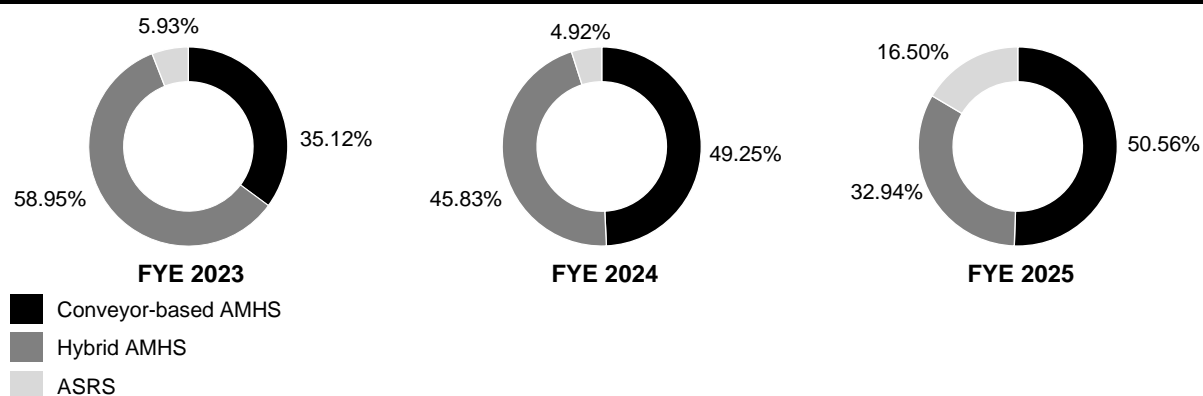
6.2 Our principal activities

We are a factory automation solutions provider, specialising in cleanroom AMHS solutions with a focus on conveyor-based AMHS, hybrid AMHS and ASRS.

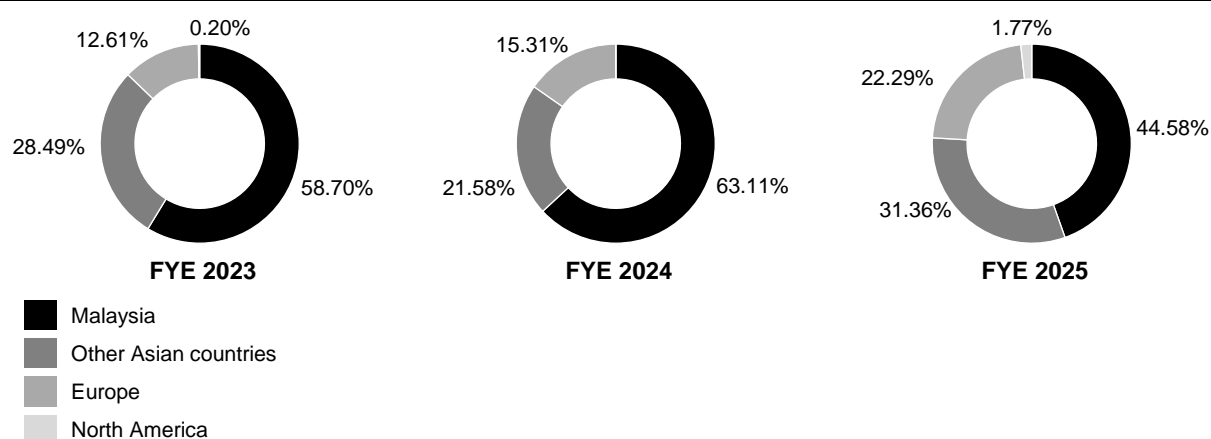
The business model of our Group is summarised in the diagram below:-

Principal activities	Cleanroom AMHS solutions specialist		
Solutions	Conveyor-based AMHS <i>(A cleanroom automated system that uses overhead conveyor lines to transfer critical materials rapidly and reliably between production floor areas within semiconductor facilities)</i>	Hybrid AMHS <i>(A cleanroom automated system that integrates overhead conveyor lines with OHT, a vehicle with hoist that runs on ceiling-mounted rail tracks that carries critical materials in individual carriers above the production floor areas)</i>	ASRS <i>(Automated storage and retrieval system designed to store and retrieve critical materials)</i>
Customers	Primarily front-end semiconductor production companies (i.e. IDMs and semiconductor foundries) as well as back-end semiconductor production companies (i.e. IDMs and OSATs)		
Geographical markets	<ul style="list-style-type: none"> Asia (comprising Malaysia and other Asian countries) Europe North America 		

Revenue contribution by business segments



Revenue contribution by geographical locations



6. BUSINESS OVERVIEW (CONT'D)

6.2.1 Our AMHS solutions

Designed for cleanroom or other controlled environments, our AMHS solutions facilitate the automated transfer of high-value critical materials within semiconductor facilities throughout various stages of semiconductor production where precision, reliability and contamination control are critical.

The efficacy of our AMHS solutions lies in the integration of physical system design with advanced control software. This integration ensures that material transfers are not only automated but also optimised for real-time responsiveness, scheduling and adaptability to specific production requirements. Through this approach, our AMHS solutions are able to enhance operational efficiency, maintain process discipline and minimise the potential for human-induced errors or contamination.

The key features and advantages of our AMHS solutions are as follows:-

Catering to cleanroom environments	Our AMHS solutions are engineered for use in ISO Class 3 and Class 5 cleanroom environments, with structural and mechanical components designed to minimise particle generation and vibration. This supports compliance with strict contamination control requirements and protects the integrity of highly sensitive materials commonly handled in semiconductor manufacturing and assembly/testing processes
High throughput capacity	Our AMHS solutions support high volumes of material transfer and are suited for high-mix, high-volume semiconductor manufacturing and assembly/testing environments, enabling efficient handling of varied production loads with consistent throughput
Precision timing and routing	Our AMHS solutions are equipped with automated scheduling and control systems that manage the timely transfer of materials between process tools, supporting tighter control over production cycle times and minimising workflow disruptions which enhances throughput
Modular and scalable architecture	Our AMHS solutions are designed to be modular and scalable, allowing for configuration flexibility and capacity expansion in line with our customer's operational layouts and allowing for future expansion, upgrades and production ramp
Integrated transport control software	Our AMHS solutions are integrated with our proprietary TCS (i.e. <i>IntelliMove</i>), for real-time scheduling, tracking, routing and prioritisation of material flow. This software ensures synchronised coordination across multiple processing stages and equipment interfaces
Reduction in labour dependency	By automating material transfer processes, our AMHS solutions reduce reliance on manual operations. This contributes to lower operational costs, mitigates the risk of human-induced errors and supports higher consistency in material handling operations

Further, our AMHS solutions are engineered to support the automated handling of a wide range of carrier types commonly used in semiconductor manufacturing and assembly/testing processes, including FOUPs, SMIFs, HA200 storage boxes, reticle pods, magazines, open cassettes and trays.

6. BUSINESS OVERVIEW (CONT'D)

Examples of the carrier types supported by our AMHS are as follows:-

			
FOUP	SMIF	HA200 storage box	Reticle pod

		
Magazine	Open cassette	Tray

Our AMHS solutions comprise hardware and software components developed in-house to maintain full control over the design to ensure full integration and performance reliability of our solutions. Through our R&D and design efforts, we have developed our proprietary AMHS hardware, comprising conveyor-based AMHS, hybrid AMHS and ASRS as well as ancillary AMHS components (such as lifters and near-tool buffers). In addition to hardware development, we have also designed and developed our proprietary software systems, including our TCS known as *IntelliMove*, which automates, controls and manages the operation of our AMHS.

All of our AMHS solutions are developed and tested in compliance with the applicable SEMI standards and optionally, can be CE standards or UL Solutions (US) certified, thereby ensuring conformity with international safety, reliability and interoperability requirements.

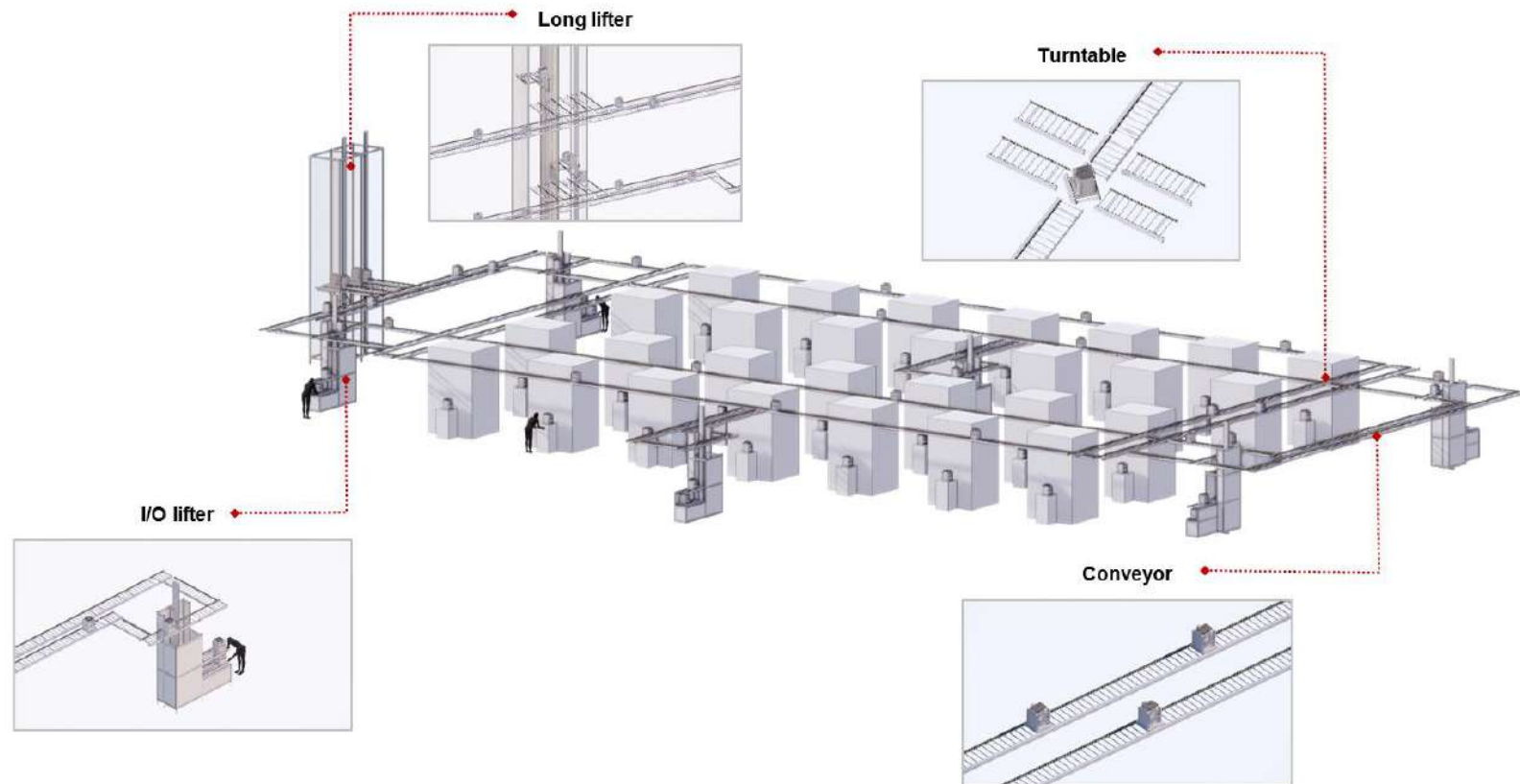
Further details on our AMHS solutions are set out below:-

(i) Conveyor-based AMHS

Our conveyor-based AMHS is a cleanroom automated system that utilises overhead conveyor lines (which are installed above the production floor areas) to transfer large volumes of critical materials (which are stored in the carriers) rapidly and reliably between production floor areas within semiconductor facilities, ensuring continuous material flow and consistently high throughput. Our conveyor-based AMHS incorporates an integrated network of conveyor lines, turntables, long lifters and I/O lifters that enable seamless horizontal and vertical transfer of critical materials across production floor and between different production floor levels, thereby automating the entire material handling operations and reducing reliance on manual handling.

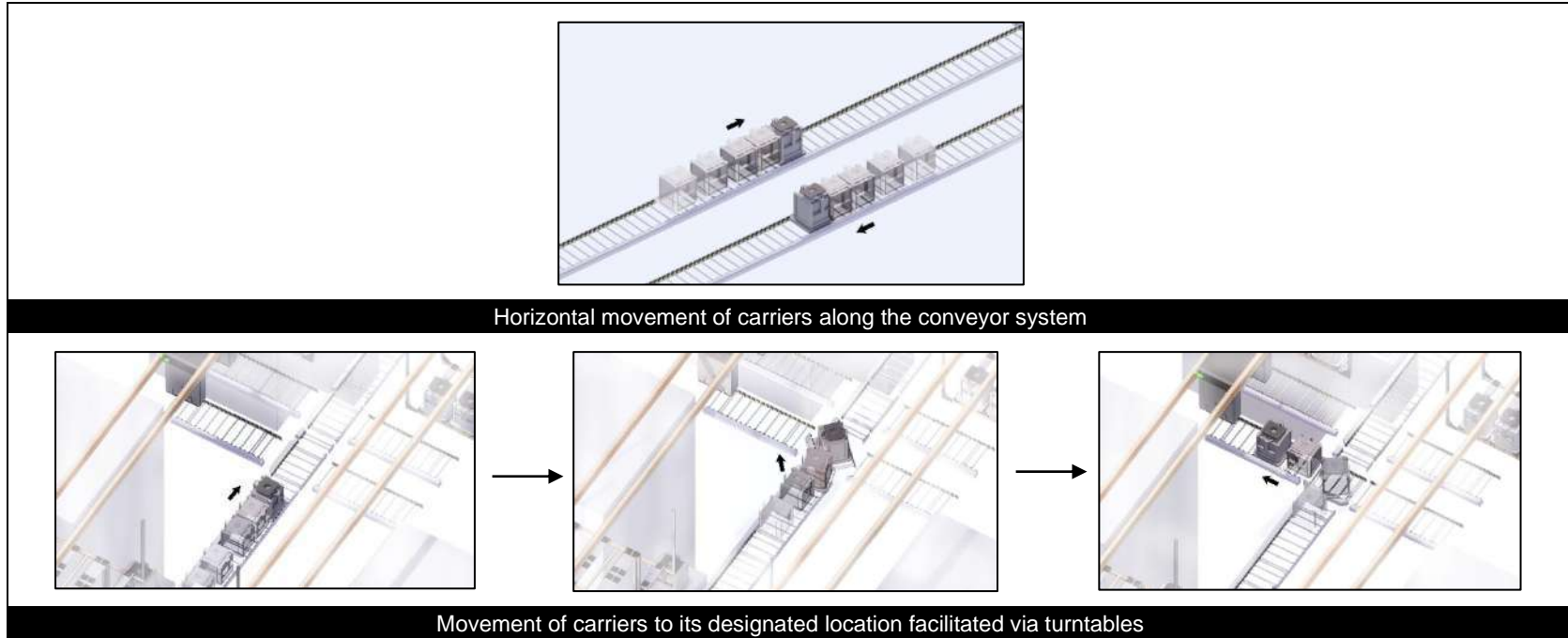
6. BUSINESS OVERVIEW (CONT'D)

An illustration of our conveyor-based AMHS is set out below:-



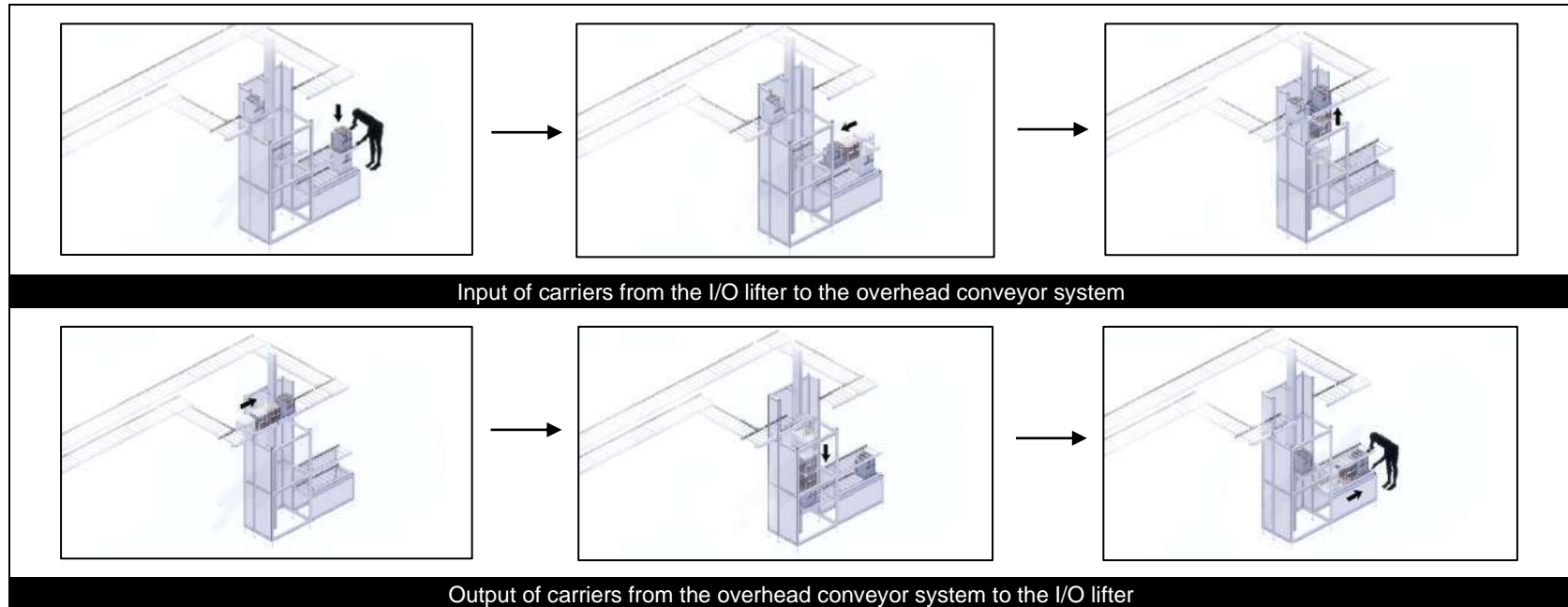
6. BUSINESS OVERVIEW (CONT'D)

The key components of our conveyor-based AMHS are as follows:-

(a) Conveyor

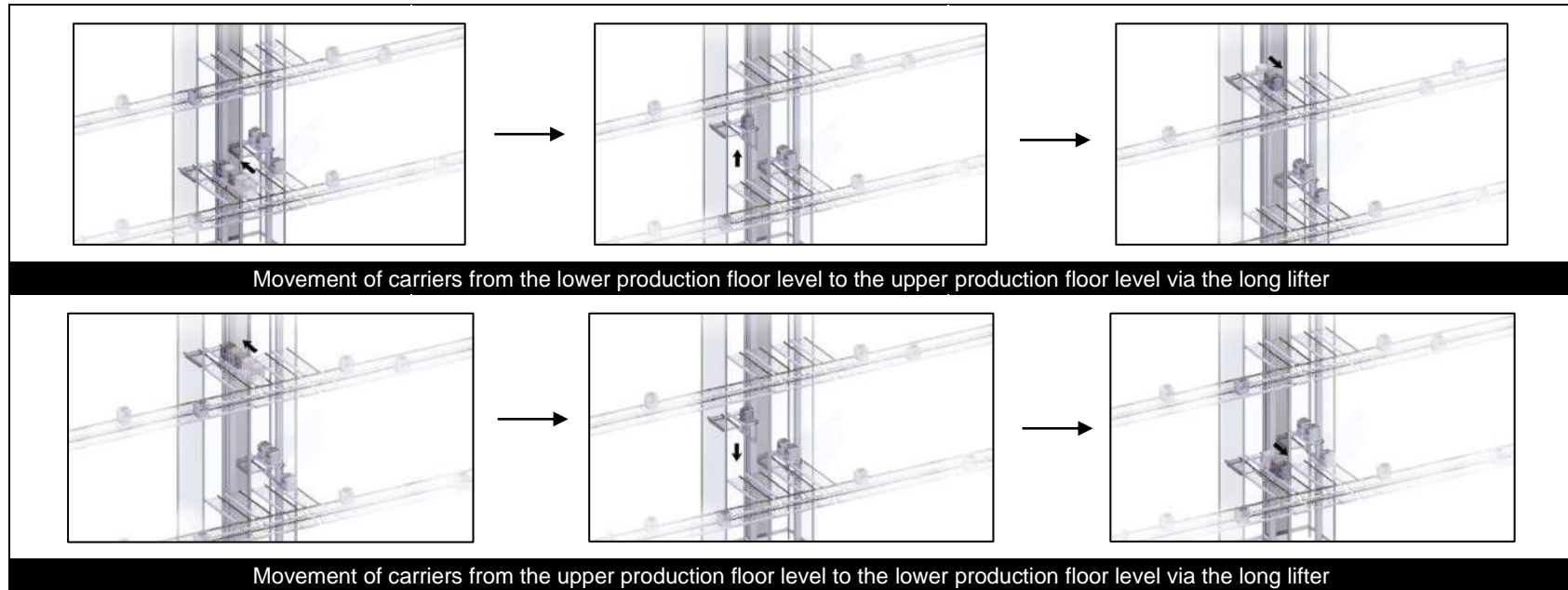
The conveyor system enables the efficient movement of large volumes of materials across the semiconductor facility, including production equipment bays, buffer zones and designated I/O lifters, ensuring continuous and coordinated material flow throughout the conveyor system network. The conveyor carries the carrier from the input point (which could be the I/O lifter, long lifter or ASRS) to its designated locations within or across production equipment bays.

The turntable (i.e. a rotational platform) forms an integral part of the conveyor-based AMHS as it facilitates up to 270-degree rotational movements that reorients the carriers to align with the direction of travel towards its designated location, allowing smooth redirection of carrier flow between intersecting conveyor paths or at junctures.

6. BUSINESS OVERVIEW (CONT'D)**(b) I/O lifter**

The I/O lifter, which forms part of our conveyor-based AMHS solutions, enables the vertical transfer of carriers between operator interface points (i.e. waist level I/O ports at the production floor area) and the overhead conveyor system. It facilitates ergonomic loading and unloading whilst ensuring smooth integration with the overhead conveyor system for continuous material flow.

Equipped with motorised lift mechanisms and position sensors, the I/O lifter operates as a semi-automated system where the operator places carriers onto the I/O port to be elevated to the overhead conveyor system to be transported to its designated location, or lowered from the overhead conveyor system for unloading by the operator.

6. BUSINESS OVERVIEW (CONT'D)**(c) Long lifter**

The long lifter functions as a vertical transfer unit that enables vertical transfer of carriers between different production floor levels within the semiconductor facility, connecting production floor areas at varying elevations whilst eliminating the need for manual handling.

Our conveyor-based AMHS can handle up to 5 different carrier types, covering both front-end (such as FOUP, SMIF, reticle pod, HA200 storage box, open cassette and panel FOUP) and back-end carriers (such as magazine, slot magazine, boat magazine, tray, lead frame carrier and Joint Electron Device Engineering Council (JEDEC) tray) at the same time without requiring hardware changes. This enables semiconductor production companies to operate mixed production lines with minimal disruption. Our conveyor-based AMHS can also be integrated with the customer's material control system (which works in tandem with our proprietary *IntelliMove* software) to direct each carrier to its designated location based on real-time production requirements by identifying the optimum route for transfer.

Further, our conveyor-based AMHS can be installed in both new and existing semiconductor facilities, with dimensions customised to fit the specific operational layout and space constraints of the production floor area of our customers.

6. BUSINESS OVERVIEW (CONT'D)

The key features and advantages of our conveyor-based AMHS include the following:-

High-speed, low-vibration transport	Our conveyor-based AMHS facilitates fast and stable movement of carriers while incorporating anti-vibration and anti-contamination design features to protect highly sensitive materials
Customisable system layout	The layout of our conveyor-based AMHS can be configured to suit various production floor layouts, process flows and space constraints, allowing seamless integration into the customer's existing production facility infrastructure
Multi-carrier handling capability	Capable of supporting up to 5 different carrier types on a single conveyor platform without the need for system modification, allowing for greater flexibility in material handling operations
Minimal maintenance requirements	Built for long-term reliability, our conveyor-based AMHS requires little to no routine maintenance, resulting in reduced operational downtime and lower total cost of ownership
Advanced automation integration	Equipped with SEMI-compliant automation interfaces, our conveyor-based AMHS supports full integration with our proprietary TCS (i.e. <i>IntelliMove</i>), ensuring synchronised control and coordination across multiple AMHS components

(ii) Hybrid AMHS

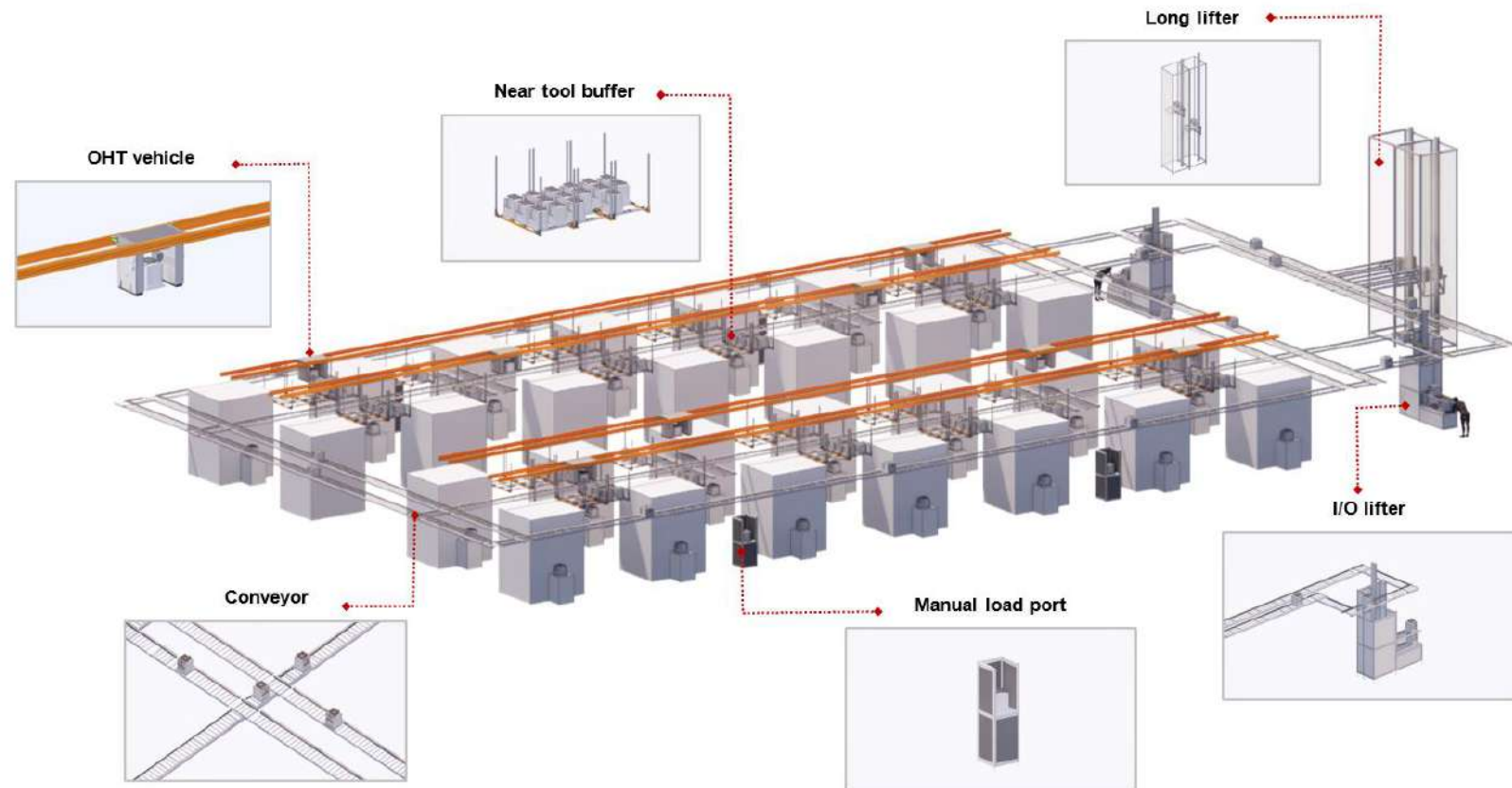
Our hybrid AMHS is a cleanroom automated system that integrates overhead conveyor lines with OHT system, a vehicle with hoist that runs on ceiling-mounted rail tracks designed to carry critical materials in individual carriers above the production floor areas. The hybrid AMHS enables full automation of material movements by handling multiple carriers (utilised to transport critical materials within the semiconductor facility) simultaneously on conveyors, while OHT vehicles hoist and transport carriers between conveyors, I/O ports and storage shelves (i.e. near-tool buffers) for direct loading and unloading at process tools.

This integration combines the long-range high-throughput transfer capability of the conveyor-based AMHS (which moves carriers continuously across production floor areas) with the automated loading capability of the OHT system (which automates the loading and unloading of the carriers between AMHS and process tools as well as between the overhead conveyor lines and near-tool buffers within the same production floor level) to optimise material flow and storage efficiency within semiconductor facilities.

Unlike conventional OHT systems that operate in uni-directional loops (which are single-direction overhead tracks where carriers must complete a full circuit before returning to a pickup point and can only transport one carrier at a time), our hybrid AMHS supports bi-directional movement, allowing carriers to travel in both directions along the same pathway.

6. BUSINESS OVERVIEW (CONT'D)

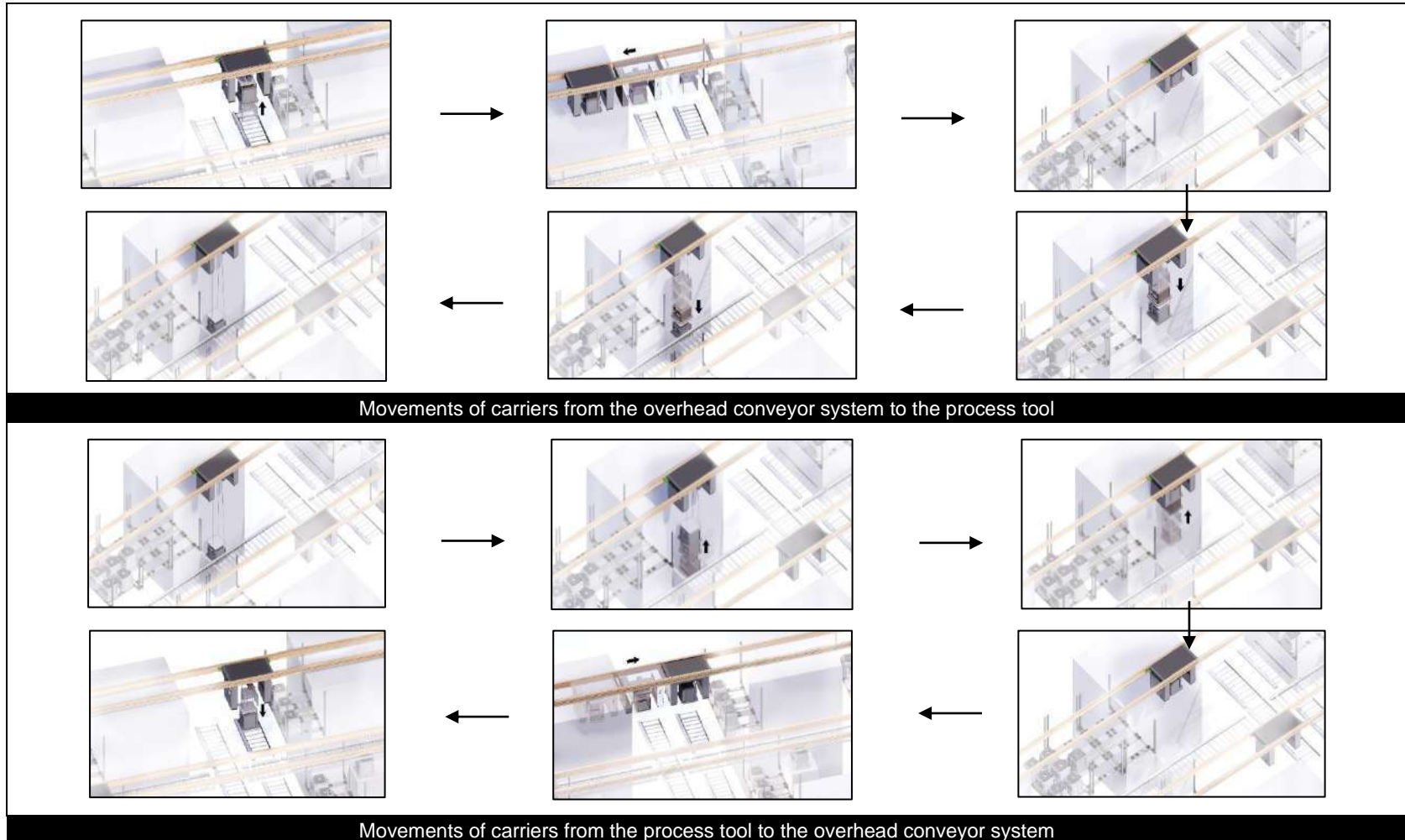
An illustration of our hybrid AMHS is set out below:-



6. BUSINESS OVERVIEW (CONT'D)

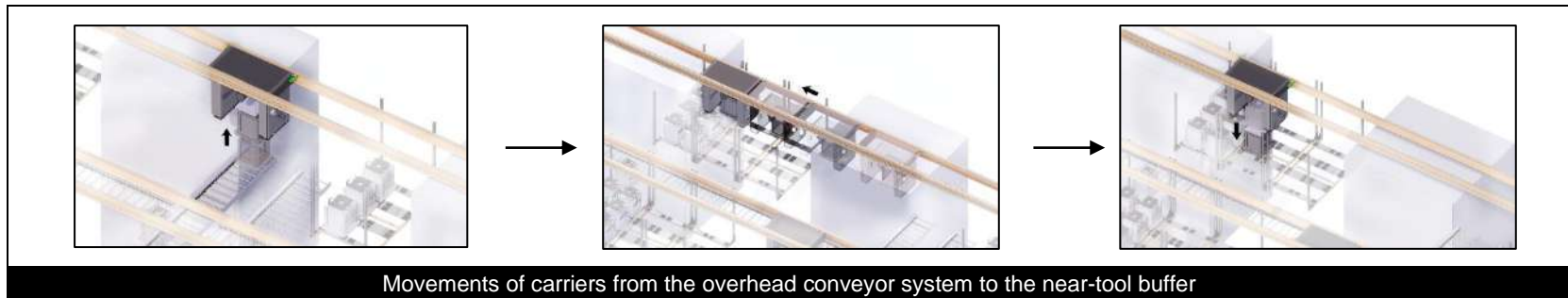
The key components of our hybrid AMHS are as follows:-

(a) Process tool



6. BUSINESS OVERVIEW (CONT'D)

The integration of the OHT system with our conveyor-based AMHS allows for full automation of the transportation of carriers where the OHT vehicle will hoist and transport the carriers from the conveyor system to the process tools or manual load ports (which primarily functions as interface points that facilitate the manual loading and unloading of carriers) or vice versa.

(b) Near-tool buffer

The near-tool buffers (which are buffer stations located adjacent to the process tools) serve as designated transfer points where carriers which are awaiting processing may be temporarily placed or retrieved when required. These buffers increase WIP storage capacity, shorten lot replacement time and remove the need for ground stockers (such as T-type stockers), thereby optimising space utilisation and freeing up production floor area to be dedicated to production equipment.

Within this setup, the OHT vehicle will transfer WIP carriers from the overhead conveyor system to the near-tool buffer for temporary storage. When the process tool becomes available, the OHT vehicle retrieves the carriers from the near-tool buffer and loads them directly onto the designated process tool for lot processing, ensuring smooth and continuous production flow across the production line.

6. BUSINESS OVERVIEW (CONT'D)

The key features and advantages of our hybrid AMHS include the following:-




High throughput and operational efficiency	Our hybrid AMHS achieves significantly higher throughput than conventional AMHS configurations by optimising task allocation between the conveyor system and OHT system. This design minimises congestion, ensures continuous material flow and improves process responsiveness
Real-time adaptive control	Integrated with <i>IntelliMove</i> , our proprietary TCS, our hybrid AMHS dynamically adjusts routing and scheduling decisions based on real-time production requirements to enhance efficiency, reduce idle time and improve coordination across transport modules
Cost efficiency and low maintenance	Our hybrid AMHS offers long-term cost advantages through its simplified design as the conveyor system requires minimal maintenance and the use of shorter OHT vehicle travel paths reduces mechanical wear and maintenance requirements, leading to lower overall system costs
High-capacity overhead buffering	The integration of overhead storage shelving systems (i.e. near-tool buffers) provides high-density, zero-footprint storage, thereby reducing reliance on floor-standing stockers and enabling more efficient use of ceiling space for staging and WIP inventory
Flexibility for legacy integration	Our hybrid AMHS is adaptable for deployment in older semiconductor facility with structural constraints such as low ceilings or legacy tools, allowing semiconductor production companies to adopt automation without major infrastructure modifications. It is also compatible with existing AMHS infrastructure and ceiling grid limitations

(iii) ASRS

Our ASRS is a cleanroom automated storage system designed to store and retrieve critical materials, improving space utilisation, inventory control and material handling efficiency within the semiconductor facilities. Our ASRS plays a critical role in staging (which involves positioning carriers in advance for the next production process), buffering (which involves temporarily holding carriers to manage workflow timing) and managing WIP inventory during the semiconductor production processes. This is achieved by providing compact, high-density storage of carriers within the production floor and enabling automated retrieval to designated I/O ports located at both human-accessible and overhead levels. Our ASRS can operate as a standalone system or be integrated with our other AMHS solutions (i.e. conveyor-based AMHS and hybrid AMHS).

6. BUSINESS OVERVIEW (CONT'D)

Our ASRS is categorised into 3 types as set out below:-

Type of ASRS	T-type stocker	R-type stocker	Zero-footprint stocker
			
Description	Automated intra-floor storage system	Automated inter-floor vertical storage system	Automated overhead storage system (zero-floor-space)
Key features	<ul style="list-style-type: none"> • Compact, high-density storage of carriers within the same production floor level • Suitable for large capacity storage 	<ul style="list-style-type: none"> • Compact, high-density storage within an elevator shaft • Suitable for compact space • Serves as both storage and inter-floor transport system 	<ul style="list-style-type: none"> • High-capacity storage by utilising ceiling space, freeing up production floor space • Suitable as intra-bay near-tool buffer
Storage location	On the floor	Inside elevator shaft / hole (vertical)	Suspended from ceiling (can be configured between 2 to 4 storage layers)
Dimensions	Depending on storage capacity requirement and production floor layout	Up to 35 metres tall	Unlimited bay length
Tracking and retrieval system	Camera and sensor-based positioning system		Wireless communication and power transmission system for long-distance tracking and retrieval
I/O ports	Human-accessible and overhead levels	Located at vertical storage entry points on each production floor level	Configurable ports along bay length

The key features and advantages of our ASRS includes the following:-

High storage density	Our ASRS enables high-density, space-efficient storage by utilising vertical space or ceiling space within the production floor, allowing for compact material handling in constrained cleanroom environments
Integrated stocker management software	Our ASRS is equipped with real-time inventory tracking and intelligent retrieval functions to optimise material staging, WIP inventory flow and buffer management across the production floor
Environmental control configurations	Offers optional features for temperature, humidity and particulate control as well as nitrogen purge capability to ensure that highly sensitive and critical materials are stored under conditions that meet strict cleanroom and process requirements

6. BUSINESS OVERVIEW (CONT'D)

While we undertake the design, assembly and testing of our AMHS components internally, we outsource the fabrication of less critical parts and certain standardised critical parts to third-party fabricators. We carry out in-house fabrication for our primary AMHS hardware components, including cutting and CNC machining of large structural parts which are critical but less complex (such as conveyor frames, stocker frames, OHT frames and turntables). On the other hand, the fabrication of less critical parts such as plates, bases, sheet metal covers, rollers and pulleys is primarily outsourced to third-party fabricators as it is more cost effective than fabricating these parts in-house. We also purchase certain standardised critical parts (such as sensors, bearings, cables and motors) as well as accessories (such as screws and bolts).

All outsourced parts are subsequently assembled together with the hardware parts fabricated in-house, after which we will conduct QA/QC testing on the assembled components to ensure system reliability and performance consistency. The AMHS components are assembled, tested and packed at our Bayan Lepas Facility (where the assembly and packing activities are conducted in compliance with ISO Class 6 cleanroom specifications), prior to the delivery and installation and commissioning of our AMHS solutions at our customers' sites. Further details on our business process are set out in **Section 6.5** of this Prospectus.

We undertake projects for our AMHS solutions based on purchase orders received from our customers, which typically take up to 24 months to complete, depending on the complexity of the operational layout design and technical specifications of the AMHS solution (which takes into consideration, amongst others, the required throughput capacity and the structural build of the customer's site, such as available floor space, ceiling height and ceiling load capacity). We also provide ancillary support services relating to our AMHS solutions (for scopes of work that fall outside of our typical purchase order-based engagements) on an ad-hoc basis at our customers' request. However, such ancillary support services are deemed not material as they accounted for less than 3.0% of our total revenue during the financial years under review.

6.2.2 Ancillary AMHS components

We have designed and developed the following key ancillary AMHS components:-

Components	Functions
I/O lifters (intra-floor input/output transport)	Enables the vertical transfer of carriers between operator interface points (i.e. waist level I/O ports at the production floor area) and the overhead conveyor system. The I/O lifter facilitates ergonomic loading and unloading whilst ensuring smooth integration with the overhead conveyor system for continuous material flow
Long lifters (inter-floor transport)	Functions as a vertical transfer unit that enables vertical transfer of carriers between different production floor levels within the semiconductor facility, connecting production floor areas at varying elevations whilst eliminating the need for manual handling
Near-tool buffers	Designated transfer points where carriers which are awaiting processing may be temporarily placed or retrieved when required. Near-tool buffers increase WIP storage capacity, shorten lot replacement time and remove the need for ground stockers (such as T-type stockers), thereby optimising space utilisation and freeing up production floor area to be dedicated to production equipment

These components are supplied primarily as part of a complete AMHS solution or in limited circumstances, as standalone products when customers require replacement or upgrading of specific modules.

6. BUSINESS OVERVIEW (CONT'D)

6.2.3 TCS

Our TCS (known as *IntelliMove*), which was developed in-house, automates, controls and manages the operation of our AMHS through direct interfacing with the controllers integrated in our AMHS hardware. Our TCS is configured according to each customer's production facility layout and functions as the central control system that coordinates material flow to ensure high throughput, frequency and precision across multiple processing stages and cycles.

Our TCS is able to detect bottlenecks along the AMHS and provide alternative routes for the movement of carriers to their designated I/O ports, whereby it detects when a manufacturing process at a process tool is completed and thereafter communicates with the AMHS hardware to unload the processed carriers and load the unprocessed carriers onto the process tool. Further, our TCS is able to provide in-system diagnostic functions such as real-time carrier tracking and reporting, detection and resolution of anomalies through automatic problem identifications and providing alerts to relevant personnel regarding more complex anomalies in the AMHS.

Our TCS is typically sold to our customers (together with the sale of our AMHS hardware) as part of a complete AMHS solution on a perpetual licence basis in the form of a software licence. As and when required, our TCS may also be sold as a standalone product to customers who had previously purchased AMHS hardware components from our Group for integration with their existing AMHS.

6.2.4 Warranty

We provide our customers with a warranty covering hardware defects for a period of up to 2 years for our AMHS solutions. During the warranty period, our Group undertakes to repair or replace defective hardware arising from manufacturing defects at our own cost. For hardware faults or damages that are not attributable to manufacturing defects, or that occur beyond the warranty period, the cost of repair or replacement will be fully borne by our customers.

6.2.5 After-sales support services

We typically provide after-sales support services on an ad-hoc basis upon customers' requests, which may include the maintenance, reconfiguration or optimisation of existing AMHS and repair or replacement of defective hardware for our AMHS solutions. The costs associated with such after-sales services are typically fully borne by our customers. However, it should be noted that our Group did not undertake any such after-sales support services during the financial years under review.

6.3 Principal markets and business segments

6.3.1 Revenue by business segments

	FYE 2023		FYE 2024		FYE 2025	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Conveyor-based AMHS*	51,239	35.12	78,238	49.25	111,360	50.56
Hybrid AMHS*	86,019	58.95	72,818	45.83	72,560	32.94
ASRS	8,658	5.93	7,821	4.92	36,355	16.50
Total revenue	145,916	100.00	158,877	100.00	220,275	100.00

Note:-

* Includes revenue from the provision of ancillary support services relating to our AMHS solutions, further details of which are set out in **Section 11.3.2(i)** of this Prospectus.

6. BUSINESS OVERVIEW (CONT'D)

Our revenue for the financial years under review was mainly derived from our conveyor-based AMHS and hybrid AMHS segments, which accounted for more than 80.0% of our total revenue for the financial years under review.

6.3.2 Revenue by geographical locations

	FYE 2023		FYE 2024		FYE 2025	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Malaysia	85,646	58.70	100,272	63.11	98,200	44.58
Other Asian countries ⁽¹⁾	41,575	28.49	34,283	21.58	69,073	31.36
Europe ⁽²⁾	18,404	12.61	24,316	15.31	49,108	22.29
North America ⁽³⁾	291	0.20	6	*	3,894	1.77
Total revenue	145,916	100.00	158,877	100.00	220,275	100.00

Notes:-

* Negligible.

(1) Comprising mainly Singapore.

(2) Comprising mainly Germany and Austria.

(3) Comprising the USA.

Our revenue for the financial years under review was mainly derived from Malaysia (being the primary market in which our Group operates) and other Asian countries, which collectively accounted for more than 75.0% of our total revenue for the financial years under review.

6.4 Competitive strengths**6.4.1 We have a well-established history and track record of 27 years in the AMHS segment**

We have an established operating history and track record of 27 years in the AMHS segment since the commencement of our business operations in 1998. Over the years, we have built a strong track record in the design, fabrication, installation and commissioning of cleanroom AMHS solutions, as evidenced by the growth of our business operations and the expansion of our international customer base. Our long-standing presence in the AMHS segment has also enabled us to broaden our solutions portfolio from cleanroom conveyor-based AMHS to include ASRS and hybrid AMHS as well as our proprietary TCS, allowing us to address a wider range of customer requirements.

Following our relocation to Penang, Malaysia in 2016, our Group continued to demonstrate strong execution and scalability with our revenue growing from RM145.92 million in the FYE 2023 to RM220.27 million in the FYE 2025, reflecting our ability to secure projects of increasing scale and complexity and to support customers across multiple geographical markets.

Our extensive experience in the AMHS segment has enabled us to develop in-depth knowledge and understanding of our customers' semiconductor manufacturing, assembly and testing processes. By leveraging on our engineering capabilities, technical know-how, long-standing track record and industry reputation, our Group benefits from the following strengths and advantages:-

- (i) our engineering and technical knowledge provides assurance to existing and potential customers that we have the capability to customise the design, functionality and layout of our AMHS solutions to meet our customers' factory automation requirements, thus driving higher operational efficiency and throughput;

6. BUSINESS OVERVIEW (CONT'D)

- (ii) our in-house fabrication capabilities enable our Group to fabricate primary AMHS hardware components (such as conveyor frames, stocker frames, OHT frames and turntables), thus supporting consistent product quality; and
- (iii) our extensive track record, industry reputation and a wide multinational customer base provide confidence to potential customers in our ability to meet their factory automation requirements, thus supporting our Group's ongoing efforts to strengthen our global brand presence amongst IDMs, semiconductor foundries and OSATs.

6.4.2 Our strong R&D and engineering capabilities have led to the development of a suite of automation solutions for the semiconductor industry

Our Group has maintained a long-standing presence in the cleanroom AMHS segment of the semiconductor industry since 1998, supporting the growing demand for automation to achieve productive, efficient and cost-effective manufacturing process, while enabling manufacturers to maximise output and profitability. Supported by our engineering depth and technical capabilities, we have undertaken continuous R&D activities since the commencement of our business. As a result of these continuous R&D efforts and accumulated engineering expertise, our Group has successfully developed a suite of proprietary AMHS solutions, including conveyor-based AMHS, hybrid AMHS and ASRS. Leveraging these capabilities, we are able to understand our customers' automation requirements and translate them into customised system layouts and solutions that enhance operational efficiency and maximise throughput across semiconductor manufacturing, assembly and testing processes.

In particular, the development of our hybrid AMHS has allowed us to offer our customers a wider range of factory automation solutions which provide long-range high throughput transfer capability as well as automated loading and unloading capability, to optimise material flow and storage efficiency within semiconductor facilities. By reducing reliance on human labour while achieving high operational precision and efficiency, our hybrid AMHS is suited to serve the back-end semiconductor production processes, which require increasing levels of precision and complexity in response to continual demand for higher-performing semiconductors.

We have also developed our proprietary TCS which automates, controls and manages the operation of our AMHS solutions. Our R&D activities are underpinned by our in-house engineering and technical capabilities, which enable us to refine our existing solutions and develop new offerings in response to evolving requirements within the semiconductor industry. As at the LPD, we have an in-house team of 52 R&D engineers and 6 R&D technicians. The adaptability and resilience of our engineering and technical abilities are fundamental to our sustained growth and position us to remain competitive and sustainable over the long term.

6.4.3 We have a portfolio of overseas and multinational customers in the semiconductor industry and have established long standing relationships with our major customers

Over the course of our 27 years of business in the AMHS segment, we have primarily served multinational customers within the front-end semiconductor industry, comprising semiconductor foundries and IDMs. These customers generally operate semiconductor manufacturing facilities with high throughput and stringent operational requirements and typically require reliable and precision-driven automation solutions. Such operational requirements have resulted in our Group being engaged for multiple projects with certain customers. Building on this foundation and our growing industry presence, we began to expand our customer base to include customers in the back-end semiconductor industry. This expansion has also allowed our Group to support our customers across a broader range of semiconductor production activities and strengthen our relationships with customers across different segments of the semiconductor value chain.

6. BUSINESS OVERVIEW (CONT'D)

Our Group served a portfolio of 19, 20 and 23 customers in the FYE 2023, FYE 2024 and FYE 2025 respectively, of which 14, 14 and 17 were overseas customers respectively, primarily based in the regions of Asia, Europe and North America. This diversified base of overseas and multinational customers reflects the breadth of our customer reach and has contributed significantly to our revenue profile, with revenue generated from overseas customers accounting for 41.30%, 36.89% and 54.42% of our total revenue in the FYE 2023, FYE 2024 and FYE 2025 respectively.

Further, our top 5 major customers mainly comprise multinational companies, collectively contributing to 96.69%, 90.61% and 96.43% of our total revenue in the FYE 2023, FYE 2024 and FYE 2025 respectively. We have also established long standing relationships with our major customers spanning up to 11 years, reflecting the confidence they place in the quality, reliability and performance of our AMHS solutions. These long-standing relationships have enabled repeat orders and supported the sustainable growth of our business.

6.4.4 We are well positioned to capitalise on the growth in the global semiconductor industry

We are well positioned to capitalise on the growth in the global semiconductor industry given our role in providing AMHS solutions that support semiconductor production processes. The growth of the global semiconductor industry is expected to be driven by increasing global demand for E&E products, rapid technological advancements, rising prevalence of generative AI spurring demand for data centres, E&E devices and semiconductors as well as approved investments and government initiatives to drive digitalisation.

Further, according to the IMR Report, we note the following:-

- (i) global semiconductor sales increased at a CAGR of 4.80% from USD574.09 billion (RM2.53 trillion) in 2022 to USD630.55 billion (RM2.88 trillion) in 2024;
- (ii) the global semiconductor fabrication capacity increased at a CAGR of 5.50% from 28.32 million wafers per month in 2022 to 32.52 million wafers per month in 2024;
- (iii) semiconductor manufacturing sales value in Malaysia increased from RM206.53 billion in 2022 to RM209.29 billion in 2024 at a CAGR of 0.67%; and
- (iv) global semiconductor AMHS industry size expanded at a CAGR of 7.42% from USD2.34 billion (RM10.30 billion) in 2022 to USD2.70 billion (RM12.34 billion) in 2024. During the same period, Asia Pacific was the largest contributor to the global semiconductor AMHS industry size, contributing an average of 73.11%, followed by North America (16.55%), Europe (8.75%) and other regions (1.59%).

In line with the above industry trends, as our Group operates within a segment of the semiconductor value chain where demand for AMHS solutions is directly linked to semiconductor capacity expansion, throughput requirements and increasing process complexity, our engineering and technical capabilities and established presence in the semiconductor AMHS segment support our Group's competitive positioning in serving semiconductor industry players.

6.4.5 Our AMHS solutions are certified to internationally recognised standards

Our customers impose stringent quality requirements as our AMHS solutions are deployed in cleanroom environments to handle high-value semiconductor wafers and components that are highly sensitive to contamination. As a result thereof, reliability, precision, and compliance with recognised quality standards are critical to our customers' production operations, where any system failure or contamination incident may result in yield loss, production downtime or financial loss.

6. BUSINESS OVERVIEW (CONT'D)

We are certified with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 for the design, manufacturing, installation and services of automation material handling systems for semiconductor and electronics industry. These certifications reflect our established quality management systems and our commitment to meeting internationally recognised standards relating to quality assurance, environmental management, and occupational health and safety. Further, our AMHS components are designed and fabricated in accordance with SEMI standards and/or CE standards or UL Solutions (US) standards. This demonstrates our ability to comply with global industry requirements and best practices, and supports the consistent performance, safety and reliability of our AMHS solutions in demanding semiconductor production environments.

6.4.6 We have an experienced and hands-on management team

Our Group is led by an experienced and technically skilled management team that has accumulated years of industry experience and in-depth knowledge of our business operations. Our Promoter, substantial shareholder and Executive Director / CEO, Ryo Narisawa, has 36 years of experience in machinery automation and the AMHS segment. His experience, vision and leadership have been instrumental in steering the overall strategic direction and business development to drive the continuous expansion of our Group. He has conceptualised and implemented various business and marketing strategies that led our Group to our current position in the AMHS segment.

He is further supported by the following key senior management:-

Name	Designation	⁽¹⁾Years of relevant working experience
Tan Chan Chin	Promoter, substantial shareholder and Executive Director / COO	28
Yap Kim Seng	Senior Director of Application Control Engineering	24
Beh Yong Yee	Senior Controller of Finance and Accounting Department	11
Satiaseelan A/L Kanasamy	Director of Sales and Project Engineering	18
Azahar Bin Mat Elias	Director of Manufacturing and Supply Chain	35
Lee Junyi	Director of R&D	9

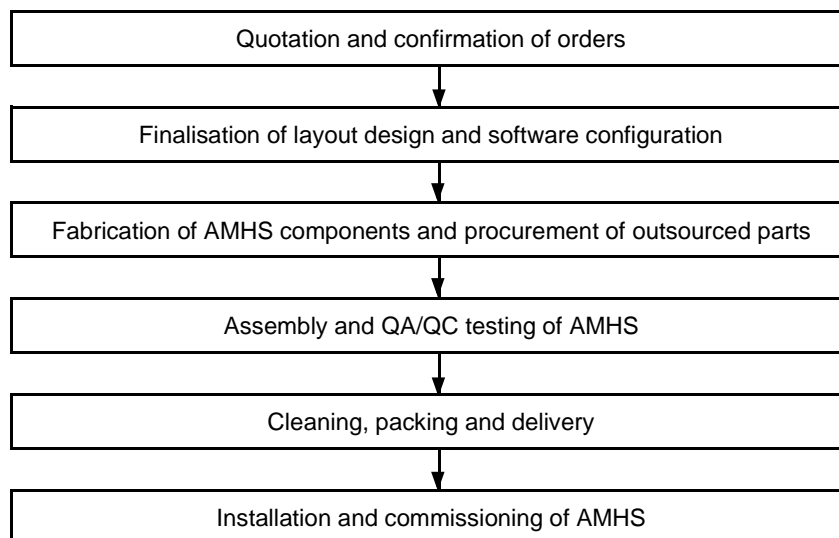
Note:-

(1) Years of relevant working experience refers to the working experience accumulated within their respective field of expertise and/or in the AMHS segment.

Our key senior management team possess strong industry and functional expertise built over years of experience in their respective fields. They take an active, hands-on role in spearheading their respective departments to support the growth of our Group. As a result, there is a transference of skills and knowledge to employees at all levels in our organisational structure. Their hands-on involvement in our Group demonstrates their strong commitment to our growth as we continue to expand. Please refer to **Sections 8.1.3** and **8.4.2** of this Prospectus for the profiles of our Executive Directors and key senior management.

6. BUSINESS OVERVIEW (CONT'D)

6.5 Business process



(i) Quotation and confirmation of orders

Upon receiving requests to quote for AMHS solution projects (which typically entails the design, fabrication, installation and commissioning of AMHS), we will engage with our customers to gain a detailed understanding of their production process requirements. Following this, we will proceed to customise the layout design of the AMHS solutions, taking into consideration the suitable types of AMHS components, the required throughput capacity and the structural build of the customers' site (such as available floor space, ceiling height and ceiling load capacity). We will carry out further discussions with our customers to finalise the layout design of the AMHS solutions and determine the quantity of AMHS hardware components required for the design. This process typically takes between 2 months and 12 months, depending on the complexity of the layout as it may involve multiple design iterations before the designs are finalised.

Upon finalisation of the layout design of the AMHS solutions, we will provide the customers with a quotation, following which our customers will typically issue a letter of award or project specific agreement (which sets out the scope and technical complexity, with the aim to define project specifications and commercial terms) and/or purchase order to our Group to confirm that we have secured the project.

(ii) Finalisation of layout design and software configuration

Based on the layout design, we will proceed to configure the TCS for the AMHS solutions accordingly, in preparation for integration with the AMHS hardware during the assembly and QA/QC testing of the AMHS solutions at our Bayan Lepas Facility as well as installation and commissioning of the AMHS solutions at our customers' site as detailed in **Sections 6.5(iv) and 6.5(vi)** below.

6. BUSINESS OVERVIEW (CONT'D)**(iii) Fabrication of AMHS components and procurement of outsourced parts**

We carry out in-house fabrication of primary AMHS hardware components and procure other parts which are necessary for the assembly of the AMHS hardware components (comprising conveyor-based AMHS, ASRS, OHT system, lifters, near-tool buffers and turntables) from third-party fabricators and suppliers in the manner set out below:-

In-house fabrication	Third-party fabricators and suppliers
We carry out in-house fabrication, which involves cutting and CNC machining of large structural parts which are critical but less complex such as conveyor frames, stocker frames, OHT frames and turntables. We will source the required raw materials such as aluminium extrusion profiles from our suppliers for our in-house fabrication works.	We outsource the fabrication works for other less critical parts (such as plates, bases, sheet metal covers, rollers and pulleys) to third-party fabricators whereby the third-party fabricators will fabricate the parts according to our design and specifications. We also purchase certain standardised critical parts (such as sensors, bearings, cables and motors) as well as accessories (such as screws and bolts) from our suppliers.

We will carry out QA/QC inspections on the dimensions and the cosmetic appearance of the fabricated and outsourced parts to ensure that they meet the required specifications and are within the dimension tolerance specifications of the design of the AMHS solutions. Parts that have passed our QA/QC inspections will be temporarily stored at our Bayan Lepas Facility until all the parts required for the AMHS components are ready for assembly.

(iv) Assembly and QA/QC testing of AMHS

Once all the parts required for the AMHS hardware components are ready for assembly, we will commence the assembly of each component in the respective dedicated production floor space in our Bayan Lepas Factory 2 according to our master planning schedule. We may carry out the assembly of the AMHS hardware components in a controlled environment (i.e. an area in which temperature controls are maintained and cleanliness standards are closely regulated) or in a cleanroom environment, according to the cleanliness standards required by our customers. During the assembly process, we will conduct periodic QA/QC inspections to ensure that any faulty parts are identified and replaced prior to the completion of the component.

Upon completion of the components required for the AMHS solutions, we will proceed to conduct QA/QC testing (including electrical, mechanical and functional tests) on the assembled components. We will then integrate the TCS with the AMHS hardware components and conduct QA/QC testing on the AMHS solutions.

(v) Cleaning, packing and delivery

Upon confirming that the AMHS functions according to our design specifications, the AMHS hardware components will be cleaned and packed in preparation for delivery in a cleanroom environment. Large AMHS hardware components such as ASRS and long lifters are generally disassembled prior to cleaning and packing. As and when required, the individual components of the AMHS will be cleaned according to our in-house cleanroom protocol (which complies with ISO cleanroom standards). The cleaned components will then be packed according to the requirements of our customers and the necessary logistics arrangements will be made with third-party logistics service providers for the delivery of the packed AMHS hardware components to our customers' site.

6. BUSINESS OVERVIEW (CONT'D)**(vi) Installation and commissioning of AMHS**

We will carry out the installation and commissioning of the AMHS solutions at our customers' site. The installation and commissioning of the AMHS will take place in stages over a period ranging between 1 month to 12 months, depending on the complexity and scale of the AMHS solutions as well as our customers' site readiness. As and when required, we may engage with third-party installation service providers to assist in the installation and commissioning of our AMHS solutions in the event of manpower limitations in overseas or due to cost competitiveness. Upon completion of the installation works, we will test the AMHS solutions at our customers' site alongside our customers' representatives to ensure that the AMHS solutions functions according to the design specifications, prior to hand-over of the AMHS solutions to our customers.

Our customers may also choose to carry out the installation and commissioning of the AMHS solutions independently, in which case we will hand over the AMHS components to our customers upon the arrival of the components at our customers' site.

6.6 Production capacity, output and utilisation

We design and fabricate AMHS on a project-by-project basis based on customers' purchase orders. Each AMHS varies in size, and the components undergo fabrication, assembly, QA/QC testing, disassembly, cleaning and packing at our Bayan Lepas Factory 1 and Bayan Lepas Factory 2 prior to delivery.

Our Group has approximately 5,928 sq ft of total production floor space at our Bayan Lepas Factory 1 comprising a machine shop which is used for in-house fabrication activities of cutting and CNC machining. In addition, our Group has approximately 38,336 sq ft of total production floor space at our Bayan Lepas Factory 2, in which dedicated areas are assigned for the assembly and testing of our AMHS hardware components.

Based on the running time of our CNC milling machine and CNC router machine, the annual operating capacity, annual actual operating hours and utilisation rates of the machine shop at our Bayan Lepas Factory 1 for the FYE 2025 are as follows:-

Type of machine	FYE 2025			
	No. of machines (units)	⁽¹⁾ Annual operating capacity (hours)	Actual annual operating hours (hours)	⁽²⁾ Utilisation rate (%)
CNC milling machine	10	48,020	40,821	85.01
CNC router machine	1	4,802	4,083	85.03

Notes:-

- (1) Calculated based on the number of machines multiplied by the machine runtime of 14 working hours per day and 49 working weeks per year.
- (2) Calculated based on actual annual operating hours divided by annual operating capacity and multiplied by 100%.

6. BUSINESS OVERVIEW (CONT'D)

Based on the dedicated production floor space for each type of AMHS component and our production working hour parameters, the annual production capacity, actual annual production and utilisation rates of the production floor space at our Bayan Lepas Factory 2 for the FYE 2025 are as follows:-

AMHS component production floor area	FYE 2025			
	Dedicated production floor space (sq ft)	⁽¹⁾ Annual production capacity	⁽⁷⁾ Actual annual production	⁽⁸⁾ Utilisation rate (%)
Conveyor area	9,500	⁽²⁾ 7,350 metres	7,131 metres	97.02
Turntable area	5,634	⁽³⁾ 1,225 units	512 units	41.80
Lifter area	7,601	⁽⁴⁾ 122.50 units	96 units	78.37
OHT area	3,504	⁽⁵⁾ 61.25 units	27 units	44.08
ASRS area	12,097	⁽⁶⁾ 24.50 units	18 units	73.47

Notes:-

- (1) The annual production capacity for each AMHS component production floor area is calculated based on the maximum number of metres or units of the respective AMHS component which can be produced with the given dedicated production floor space and production working hours of one 8.5-hour shift per day for the FYE 2025.
- (2) Calculated based on the production of a maximum of 150 metres of conveyors per week multiplied by 49 working weeks per year.
- (3) Calculated based on the production of a maximum of 25 units of turntables per week multiplied by 49 working weeks per year.
- (4) Calculated based on the production of a maximum of 2.5 units of lifters per week multiplied by 49 working weeks per year.
- (5) Calculated based on the production of a maximum of 1.25 OHT units per week multiplied by 49 working weeks per year.
- (6) Calculated based on the production of a maximum of 0.5 ASRS units per week multiplied by 49 working weeks per year.
- (7) The actual annual production for each AMHS component may vary from year to year depending on the types of AMHS components required by our customers in a particular year.
- (8) Calculated based on actual annual production divided by annual production capacity and multiplied by 100%.

6.7 R&D

We undertake R&D activities for the development and continuous improvement of our AMHS solutions. We continuously work to improve each of our AMHS solutions and have developed multiple generations of our AMHS components over the years. Our R&D activities are co-led by Ryo Narisawa, our Promoter, substantial shareholder and Executive Director / CEO, who has more than 36 years of experience in the AMHS segment as well as Lee Junyi, our Director of R&D, who has more than 9 years of experience in mechanical engineering. They are supported by 52 R&D engineers and 6 R&D technicians as at the LPD.

6. BUSINESS OVERVIEW (CONT'D)

Our R&D activities primarily focus on developing new features, enhancing efficiency and improving the functionalities of the mechanical, electrical and software features of our AMHS solutions. All of our current AMHS hardware (i.e. our conveyor-based AMHS, hybrid AMHS and ASRS) as well as our TCS were developed in-house through our R&D activities, which are set out as follows:-

R&D achievements	Description	Year of R&D commencement	⁽¹⁾Year of initial commercialisation
Conveyor system	A network of overhead conveyor lines designed to transfer large volumes of critical materials between production floor areas within semiconductor facilities	1998	2000
<i>IntelliMove</i>	A transport control software which automates, controls and manages the operation of our AMHS hardware components	2004	2007
T-type stocker	An ASRS comprising an automated intra-floor storage system	2008	2014
R-type stocker	An ASRS comprising an automated inter-floor vertical storage system	2008	2014
OHT system	A vehicle with a hoist that runs on ceiling-mounted rail tracks designed to carry critical materials in individual carriers above production floor areas	2016	2020
Hybrid AMHS	A cleanroom automated system that integrates overhead conveyor lines with OHT system	2016	2020
Zero-footprint stocker	An ASRS comprising an automated overhead storage system (zero-floor-space)	2019	2022

Note:-

(1) All of our R&D achievements are ongoing as we continuously innovate and develop improved versions of our in-house developed AMHS solutions.

As at the LPD, our Group is in the midst of carrying out R&D activities to develop new software for our AMHS solutions comprising a material control system (i.e. a software which controls, tracks and automates the transfer of materials between our AMHS and our customers' process tools) as well as a digital twin simulation system (i.e. a software which generates simulations of our AMHS layout designs). Further, we are also in the midst of carrying out R&D activities to improve the functionality of the mechanical features of our AMHS solutions through the introduction of new robotics components.

Our R&D expenses (which is primarily utilised towards the development of prototypes and testing) includes expenditure on purchases of parts, staff costs and factory overhead costs, which amounted to 1.65%, 5.18% and 4.09% of our total revenue for the FYE 2023, FYE 2024 and FYE 2025 respectively.

6. BUSINESS OVERVIEW (CONT'D)**6.8 QA/QC**

Our Group places strong emphasis on the quality and reliability of our cleanroom AMHS solutions. We are committed to ensuring that the standard operating procedures for our manufacturing processes are aligned with internationally recognised standards and practices (including ISO cleanroom, SEMI standards, CE standards and/or UL Solutions (US) standards) to ensure that our products consistently meet stringent quality and performance requirements. Given the nature of the industries our AMHS solutions are designed to cater to (in particular, the semiconductor industry where semiconductors are of high-value and are highly sensitive to contamination), adherence to these standards is critical to meet industrial regulatory and customer requirements as well as to ensure performance reliability, process integrity and customer satisfaction.

As a testament to our Group's emphasis and commitment to the quality of our products, we have received the following internationally recognised quality certifications:-

Name of entity	Standard	Certification body	Scope of certification	Date first awarded	Latest validity period
SASB	ISO 45001:2018	BSI Assurance UK Limited	Certifies that the company operates an occupational health and safety management system which complies with the requirements for the design, manufacturing, installation and services of automation materials handling system for the semiconductor and electronics industry	17 June 2025	17 June 2025 – 16 June 2028
SASB	ISO 14001:2015	BSI Assurance UK Limited	Certifies that the company operates an environmental management system which complies with the requirements for the design, manufacturing, installation and services of automation materials handling system for the semiconductor and electronics industry	17 June 2025	17 June 2025 – 16 June 2028
SASB	ISO 9001:2015	BSI Assurance UK Limited	Certifies that the company operates a quality management system which complies with the requirements for the design, manufacturing, installation and services of automation materials handling system for the semiconductor and electronics industry	18 August 2019	17 June 2025 – 18 August 2028

Our Group also implements stringent QA/QC procedures in the selection of third-party vendors (which comprise third-party fabricators, suppliers and service providers), and maintains a list of approved third-party vendors to ensure that the parts and services procured meet the required quality standards for our products.

6. BUSINESS OVERVIEW (CONT'D)

The third-party vendors engaged by our Group are primarily evaluated and selected based on their pricing, production capabilities, product quality (in terms of minimal defects to the parts) and ability to deliver within the stipulated lead time. Prior to the selection and onboarding of the third-party vendors as our approved vendor, we will assess the company's profile, operational capabilities, quality management, financial standing, sustainability as well as environmental, health and safety practices of each third-party vendor. Following this, we may proceed with a trial order from the third-party vendor and/or conduct on-site audit of the third-party vendor's operations, processes, facilities as well as compliance with quality and environmental standards, as and when deemed necessary.

We carry out a review of our approved third-party vendors annually, which entails the compilation of performance review reports to assess the quality of the parts and services provided by our third-party vendors. Should the quality of the parts and services provided fail to meet our quality standards, our management will then re-evaluate and reassess the third-party vendor to determine whether to continue to engage them or to disqualify them as our approved vendor.

6.9 Technology used

We employ the following technologies in the development of our AMHS solutions:-

Technology	Description
Altium designer	A design software used to design the circuits of printed circuit boards (PCB)
CAD/CAM software solutions	Software solutions that use computer systems to aid in creation, development, analysis and optimisation of two-dimension (2D) and/or three-dimension (3D) designs of our AMHS solutions
Microsoft SQL Server	A database management system used to store, manipulate and retrieve data in databases
Microsoft Visual Studio	A software studio used to support C++ and C# programming of our TCS, and to develop the graphical user interface for our TCS
Enterprise Resource Planning (ERP) software	A software used to plan and manage resources in key operations such as finance, human resources, manufacturing, supply chain, services and procurement

6.10 Marketing strategies and activities

Our Group's sales and marketing strategies are as set out below:-

6.10.1 Referrals and direct approach

We primarily secure new customers through general word-of-mouth recommendations and referrals from our existing customers. With over 27 years of experience in the AMHS segment, we have established a network of past and existing customers, who have routinely referred new business to us due to our track record of delivering consistent, high-quality solutions and services that meet the requirements of our customers. Such referrals serve as a testament to our technical expertise and the quality of our AMHS solutions and reflects the confidence and satisfaction of our customers in our capabilities.

We also secure new customers through direct approach whereby our sales engineering team actively approaches potential customers to introduce our capabilities and range of solutions. Further, our sales engineering team also monitors industry trends and developments to identify new emerging opportunities and potential industries which our Group may venture into, allowing us to provide our solutions and secure new purchase orders.

6. BUSINESS OVERVIEW (CONT'D)**6.10.2 Trade fairs, exhibitions and industry networking events**

As our customers are primarily semiconductor companies, our Group participates in various semiconductor trade fairs, exhibitions and industry networking events, through which we are able to build customer relationships, identify new sales opportunities and promote our capabilities amongst industry stakeholders. Trade fairs, exhibitions and industry networking events are our key source for developing initial contact with potential customers.

The trade fairs, exhibitions and industry networking events participated by our Group during the financial years under review and up to the LPD are as set out below:-

Date	Event name	Organiser	Location
March 2023	International Semiconductor Executive Summits (ISES) USA 2023	International Semiconductor Executive Summits (ISES)	Sheraton Grant at Wild Horse Pass, Phoenix, Arizona, USA
May 2023	SEMICON Southeast Asia 2023	SEMI Southeast Asia Pte Ltd	Setia SPICE Convention Centre and Arena, Penang, Malaysia
October 2023	Semiconductor Manufacturing Summit	Trueventus Sdn Bhd	JW Marriott Hotel, Kuala Lumpur, Malaysia
November 2023	International Semiconductor Executive Summits (ISES) SEA 2023	International Semiconductor Executive Summits (ISES)	Shangri-La's Rasa Sayang Resort and Spa, Penang, Malaysia
May 2024	SEMICON Southeast Asia 2024	SEMI Southeast Asia Pte Ltd	Malaysia International Trade and Exhibition Centre, Kuala Lumpur, Malaysia
September 2025	SEMICON India 2025	SEMI India and India Semiconductor Mission (ISM)	Yashobhoomi (IICC), New Delhi, India

6.10.3 Media advertising

We leverage on media advertising such as industry-specific magazines to advertise and market our AMHS solutions as well as to enhance our market presence amongst industry players. Our Group has published advertisements in 2022, 2023 and 2024 issues of the Semiconductor Digest magazine given that our customers are primarily semiconductor companies. Our media advertisements feature quick response (QR) codes which direct potential customers to our corporate website, where they are able to submit an enquiry to our sales engineering team who will then engage with them directly to introduce our AMHS solutions.

6.10.4 Corporate website

We have established our corporate website at www.stratusauto.com as a platform to introduce our AMHS solutions to potential customers and to provide easily accessible information on our Group. Enquiries received through our corporate website are channelled to our sales engineering team for their handling. The current widespread use of the internet as a source of information facilitates access to our corporate website from any part of the world, thereby enabling us to cross geographical boundaries and enhance our potential market reach and exposure.

6.11 Seasonality

We do not experience any material seasonality effects in our business as the demand for our solutions is not subject to seasonal fluctuations but is primarily affected by, amongst others, our customers' capital expenditure decisions, project implementation schedules, and economic conditions within the semiconductor industry cycle.

6. BUSINESS OVERVIEW (CONT'D)**6.12 Employees**

We have a total workforce of 458 employees as at 31 March 2025, of which 449 or 98.03% of our total workforce are permanent employees whilst 9 or 1.97% of our total workforce are contractual employees. The breakdown of the number of employees in our Group by departments is as follows:-

Departments	Permanent	Contractual	Total
Executive directors	2	-	2
Key senior management	5	-	5
Administration, HR, finance and IT	23	1	24
Operations	304	3	307
Project management	9	-	9
R&D	48	4	52
Application engineering	55	-	55
Sales engineering	3	1	4
Total	449	9	458

As at 31 March 2025, 443 or 96.73% of our total workforce is located in Malaysia, 10 or 2.18% of our total workforce is located in Singapore and 5 or 1.09% of our total workforce is located in the USA. The breakdown of the number of employees in our Group by geographic locations is as follows:-

Geographic locations	Permanent	Contractual	Total
Malaysia	435	8	443
Singapore	10	-	10
USA	4	1	5
Total	449	9	458

We have a total workforce of 471 employees as at the LPD, of which 462 or 98.09% of our total workforce are permanent employees whilst 9 or 1.91% of our total workforce are contractual employees. The breakdown of the number of employees in our Group by departments is as follows:-

Departments	Permanent	Contractual	Total
Executive directors	2	-	2
Key senior management	5	-	5
Administration, HR, finance and IT	23	1	24
Operations	302	4	306
Project management	11	-	11
R&D	54	4	58
Application engineering	56	-	56
Sales engineering	9	-	9
Total	462	9	471

6. BUSINESS OVERVIEW (CONT'D)

As at the LPD, 456 or 96.82% of our total workforce is located in Malaysia, 10 or 2.12% of our total workforce is located in Singapore and 5 or 1.06% of our total workforce is located in the USA. The breakdown of the number of employees in our Group by geographic locations is as follows:-

Geographic locations	Permanent	Contractual	Total
Malaysia	448	8	456
Singapore	10	-	10
USA	4	1	5
Total	462	9	471

We have put in place a management succession plan to identify key competencies and requirements of managers and higher-ranking personnel to take a proactive approach towards addressing talent management. This is to ensure that our Group has readily available talent to undertake leadership positions and to frequently train our middle management to ensure they are well equipped with the necessary knowledge to succeed at senior management positions within our Group.

All our foreign employees in Malaysia and Singapore have valid working permits and none of our employees, whether permanent or contractual, belong to any labour union as at the LPD. Further, during the financial years under review and up to the LPD, we have not experienced any strikes or major industrial disputes and we did not face any labour shortage that had led to any disruption to our business operations.

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6. BUSINESS OVERVIEW (CONT'D)

6.13 Major customers

Our Group is dependent on companies within the semiconductor industry. The table below sets out the top 5 major customers of our Group for the financial years under review:-

Major customers ⁽¹⁾	Type of solutions provided by our Group	Length of business relationship as at the LPD (years)	FYE 2023		FYE 2024		FYE 2025	
			RM'000	%	RM'000	%	RM'000	%
Customer A Group	Conveyor-based AMHS and ASRS	11	31,173	21.36	50,887	32.03	81,197	36.86
Customer B	Conveyor-based AMHS, hybrid AMHS and ASRS	5	41,185	28.23	30,154	18.98	66,000	29.96
Customer C	Conveyor-based AMHS	2	^	^	12,437	7.83	31,099	14.12
Customer D Group	Conveyor-based AMHS	9	^	^	^	^	23,155	10.51
Customer E	Hybrid AMHS	4	47,166	32.32	42,993	27.06	10,968	4.98
Customer F Group ⁽²⁾	Conveyor-based AMHS and ASRS	3	-	-	7,482	4.71	^	^
Customer G	Conveyor-based AMHS	4	17,483	11.98	^	^	^	^
Customer H Group	Conveyor-based AMHS and ASRS	3	4,087	2.80	^	^	^	^
Subtotal			141,094	96.69	143,953	90.61	212,419	96.43
Total revenue			145,916	100.00	158,877	100.00	220,275	100.00

Notes:-

^ A customer of our Group but was not amongst the top 5 major customers of our Group in the respective financial years.

- No transactions with our Group prior to the FYE 2024.

(1) The names of all the top 5 major customers for the financial years under review have not been disclosed as our Group is bound by certain confidentiality clauses relating to the disclosure of the names of these major customers as well as to safeguard the competitive position of our Group and our major customers in the market in which we and/or our major customers operate. Further, we had sought consent from all the top 5 major customers for the financial years under review for disclosure of the information required pursuant to the IPO but such consent for the above disclosures were not granted.

(2) Customer F Group is an AMHS provider who outsources AMHS works to our Group for its respective end customers, namely Company X (a subsidiary of a company listed on the Main Market), principally involved in the manufacturing of semiconductor wafers and Company Y (a subsidiary of a company listed on the NASDAQ Global Select Market), principally involved in the design and manufacture of semiconductors.

6. BUSINESS OVERVIEW (CONT'D)

The top 5 major customers of our Group collectively contributed 96.69%, 90.61% and 96.43% to our total revenue for the FYE 2023, FYE 2024 and FYE 2025 respectively. In particular, we are dependent on our major customers, namely Customer A Group, Customer B and Customer E as these major customers had each contributed to more than 20.0% of our Group's total revenue for one or more years during the financial years under review.

Due to the nature of our business and the semiconductor industry, we do not enter into long-term contracts with our customers. Our sales are based on purchase orders secured by our Group from our customers. As such, we are dependent on our ability to continuously secure new purchase orders from our existing customers and prospective customers. The loss of any of our existing customers, in particular, our major customers, or a decrease in value of purchase orders, if not replaced in a timely manner with new purchase orders of similar value, may adversely affect the business operations and financial performance of our Group.

Notwithstanding the absence of long-term contracts, our Group has been qualified and included in the approved vendor lists of major customers. Further, it should be noted that the inclusion in such approved vendor lists typically follows our customers' prescribed and structured supplier qualification processes, which are generally stringent and multi-layered, involving assessments of financial standing, technical capabilities, reputation and track record of past delivery performance of our solutions prior to the award of any purchase orders. This approved vendor status, together with our track record of delivering solutions and services in accordance with customer specifications and requirements, has supported our Group's ability to continue securing purchase orders and maintaining established working relationships with our customers.

Further, given that our AMHS solutions form part of the core infrastructure of our customers' manufacturing facilities and typically require ongoing support over the solutions' operating lifecycle, our customers are likely to engage our Group for subsequent system upgrades, facility expansions, greenfield projects and other related enhancement works. This is because our AMHS solutions are customised to align with the specific operational layouts, process flows and throughput requirements of each customer's facility, resulting in systems that are highly facility-specific due to different facility layout and technical configurations. In addition, our Group provides after-sales support services, including maintenance and, where required, reconfiguration or optimisation of existing AMHS, which further embeds our Group in our customers' ongoing operational and business expansion activities.

There has been no major dispute with any of our major customers which has significantly affected the business operations and financial performance of our Group during the financial years under review and up to the LPD.

6. BUSINESS OVERVIEW (CONT'D)

6.14 Major suppliers

The table below sets out the top 5 major suppliers of our Group for the financial years under review:-

Major suppliers	Type of products / services provided to our Group	Length of business relationship as at the LPD (years)	FYE 2023		FYE 2024		FYE 2025	
			RM'000	%	RM'000	%	RM'000	%
Solimech Systems (M) Sdn Bhd	Hardware installation services	9	^	^	7,677	7.29	8,889	8.71
JVTEch Pte Ltd	Hardware installation services	4	3,254	4.56	3,508	3.33	2,818	2.76
Alumac Industries Sdn Bhd	Fabricated parts	7	3,172	4.44	3,303	3.14	2,459	2.41
Elcomp Trading Sdn Bhd	Standard parts	9	2,406	3.37	2,665	2.53	2,009	1.97
IAS Automation Sdn Bhd	Hardware installation services	9	^	^	^	^	1,833	1.80
TC Smart Engineering (M) Sdn Bhd	Fabricated parts	5	2,097	2.94	2,350	2.23	^	^
MISUMI Malaysia Sdn Bhd	Standard parts	6	1,994	2.79	^	^	^	^
Subtotal			12,923	18.10	19,503	18.52	18,008	17.65
Total cost of goods sold of our Group			71,407	100.00	105,348	100.00	102,105	100.00

Note:-

^ A supplier of our Group but was not amongst the top 5 major suppliers of our Group in the respective financial years.

The top 5 major suppliers of our Group collectively contributed 18.10%, 18.52% and 17.65% to our total cost of goods sold in the FYE 2023, FYE 2024 and FYE 2025 respectively. Accordingly, we are not dependent on any of our major suppliers as the products and services that our Group purchases can be easily sourced from our panel of suppliers.

There have been no major disputes with or disruptions in supply from any of our major suppliers which has significantly affected our business operations and financial performance during the financial years under review and up to the LPD.

6. BUSINESS OVERVIEW (CONT'D)**6.15 Types, sources and availability of input materials and services**

Our key supplies include parts and tools, outsourced services, software licences, packaging materials and consumables.

We primarily source our parts and tools (which are used in the assembly of our AMHS solutions) from third-party fabricators in Malaysia, Singapore, China and Thailand as well as suppliers in Malaysia, Germany and China.

The breakdown of the purchases of our Group are as set out below:-

Supplies	FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%
Parts and tools						
Standard parts ⁽¹⁾	37,615	60.65	34,938	47.75	19,512	34.73
Fabricated parts ⁽²⁾	12,795	20.63	15,487	21.16	10,029	17.85
Loose tools ⁽³⁾	614	0.99	654	0.89	317	0.56
Outsourced services⁽⁴⁾						
Hardware installation services	6,915	11.15	17,384	23.76	22,943	40.83
System installation services	1,899	3.06	1,200	1.64	445	0.79
Others						
Software licences	1,042	1.68	1,388	1.90	1,217	2.17
Packaging materials	548	0.88	1,133	1.55	1,264	2.25
Consumables ⁽⁵⁾	597	0.96	990	1.35	460	0.82
Total purchases	62,025	100.00	73,174	100.00	56,187	100.00

Notes:-

- (1) Comprise electronic and mechanical parts, which includes, amongst others, sensors, bearings, cables, motors, device servers, radio frequency identification (RFID) readers, ICs, switches, connectors and linear guides.
- (2) Comprise amongst others, aluminium extrusion profiles, plates, bases, sheet metal covers, rollers and pulleys.
- (3) Comprise amongst others, hand tools, measuring instruments, small machines and accessories.
- (4) Comprise hardware and system installation services procured from third-party service providers for the installation and commissioning of our AMHS solutions at our customers' sites.
- (5) Comprise amongst others, fasteners and aluminium structural fittings.

Our Group has not encountered any disruptions or shortages in the procurement of our materials and services during the financial years under review.

6. BUSINESS OVERVIEW (CONT'D)

6.16 Major licences and permits

The details of the major licences and permit obtained by our Group for the operation of our business as at the LPD are set out as follows:-

No.	Licensee	Approving authority / Issuer	Description of approval / licence / permit	Licence / Reference No.	Effective and expiry date	Major conditions imposed	Status of compliance
1.	SASB	Majlis Bandaraya Pulau Pinang	Business licence for commercial and industrial factory and advertising signboard located at Plot 73-C, Lintang Bayan Lepas, Bayan Lepas Industrial Park, Phase 4, 11900 Pulau Pinang	KOM00005942	Date of issuance: 6 December 2024 Date of expiry: 31 December 2025	Nil	Not applicable
2.	SASB	MITI / Malaysian Investment Development Authority ("MIDA")	Manufacturing licence for "material handling system and equipment for cleanroom"	A021834 (Serial No. A036892)	Date of issuance: 14 November 2018 Date of expiry: Valid until and unless revoked or surrendered	(i) The manufacturing site shall be located at Plot 73-C, Lintang Bayan Lepas, Bayan Lepas Industrial Park, Phase IV, 11900 Bayan Lepas, Pulau Pinang (subject to the approval from the relevant State Government and Department of Environment). (ii) MITI and MIDA must be notified on any disposal of shares in SASB. (iii) SASB shall train Malaysians so that the technology and skills can be transferred to all position levels. (iv) SASB must meet the condition of the capital investment per employee (CIPE) for at least RM140,000.00.	Complied Complied Noted Complied

6. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Approving authority / Issuer	Description of approval / licence / permit	Licence / Reference No.	Effective and expiry date	Major conditions imposed	Status of compliance
						(v) Total full-time permanent workforce of SASB shall comprise at least 80% Malaysian. In addition, employment of foreign workers including outsourced workers shall be subject to current policies. (vi) SASB shall, when required by MIDA, submit information on investment performance and project implementation under the Industrial Coordination Act, 1975 (Act 156) and MIDA Act 1965. (vii) SASB shall undertake its projects in accordance with the rules and regulation in Malaysia.	Complied Noted Complied
3.	SASB	Royal Malaysian Customs Department	Manufacturing warehouse licence for "conveyor, conveyor system fittings and modules, hanger, IO station, lifter, OHT overhead transport system, stocker, turn table"	P79G6201800000002	Date of issuance: 1 May 2025 Date of expiry: 30 April 2027	(i) No dutiable goods other than raw materials / components and machinery used directly in manufacturing and manufactured goods which have been approved by the State Director of Customs may be stored in the Licensed Manufacturing Warehouse. (ii) Changes to the structure of buildings and equipment in the licenced premises are not permitted except with the written approval of the State Director of Customs.	Complied Noted

6. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Approving authority / Issuer	Description of approval / licence / permit	Licence / Reference No.	Effective and expiry date	Major conditions imposed	Status of compliance
						<p>(iii) At least 80% of the finished product (by value) are to be exported, and not more than 20% of the finished product can be sold in the local market as approved. Goods sold in domestic market are subject to any prevailing duties / tax at the time.</p> <p>(iv) Disposal of waste, including manufacturing waste, is subject to the written approval of the State Director of Customs.</p> <p>(v) Licensee shall notify the Officer of Customs in writing within 14 days if:-</p> <p>(a) there is a change in the board of directors of SASB;</p> <p>(b) SASB has been wound up;</p> <p>(c) an application for the winding-up of SASB is made;</p> <p>(d) a receiver or liquidator is appointed; and</p> <p>(e) SASB is subject to civil claims, bankruptcy, closure or any other similar arrangement.</p>	<p>Complied</p> <p>Complied</p> <p>Noted</p>
4.	SACO	State of Washington	Business licence to carry out business in the State of Washington	602585301	<p>Date of issuance: 1 February 2025</p> <p>Date of expiry: 31 January 2026</p>	Not licensed to hire minors without a minor work permit	Complied. No minor is hired

6. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Approving authority / Issuer	Description of approval / licence / permit	Licence / Reference No.	Effective and expiry date	Major conditions imposed	Status of compliance
5.	SACO	City of Renton, State of Washington	Business licence to carry out business in the City of Renton, State of Washington	59732	Date of issuance: 1 February 2025 Date of expiry: 31 January 2026	Licence must be posted in the place of business for which it is used	Complied
6.	SACO	State of Washington	Reseller permit for industrial machinery and equipment merchant wholesalers	A11751025	Date of issuance: 1 January 2022 Date of expiry: 31 December 2025	<p>This permit can be used to purchase:-</p> <ul style="list-style-type: none"> • merchandise and inventory for resale without intervening use; • ingredients, components, or chemicals used in processing new articles of tangible personal property produced for sale; • feed, seed, seedlings, fertilizer and spray materials by a farmer; • materials and contract labor for retail/wholesale construction; and • items for dual purposes (consumed/resold). <p>This permit cannot be used to purchase:-</p> <ul style="list-style-type: none"> • items for personal or household use; • promotional items or gifts; • items used in the business that are not resold; and • materials and contract labor for speculative building. 	Complied

6. BUSINESS OVERVIEW (CONT'D)**6.17 Material trademarks and other intellectual property**

Save for the trademark registration below, our Group does not have any other trademarks registrations and intellectual property rights which are material to our Group as at the LPD:-

No.	Trademark	Issuing authority	Applicant	Application / Registration No.	Description	Filing date / Expiry date	Status
1.	STRATUS Automation⁽¹⁾	Intellectual Property Corporation of Malaysia ("MyIPO")	SASB	TM2023036142	Class 7/ Air filters for automobile engines; air intake systems and components for motor and engines; assembly line conveyor machinery; automated parcel sorting machines; automatic handling machines; bearings for machines; cargo handling machines; chemical vapor deposition [cvd] reactors for semiconductor manufacturing machines; compressors as parts of machines, motors and engines; conveyors [machines]; cranes; drive belts for machines; drive chains for machines; drive pulleys for power transmission belts of industrial machines; drive shaft couplings for machines; driving chains for machines; electric motors for machines; electric motors for machines with a digital servo drive controller; handling apparatus for loading and unloading; handling machines, automatic; handling machines, automatic [manipulators]; hydraulic control mechanisms for industrial robots; hydraulic accumulators being parts of machines; industrial robots; industrial robots for machine tools; industrial robots for machines and machine tools; laser cutting robots; lifting jacks, other than hand-operated; machines for manufacturing semi-conductors; machines, machine tools, power-operated tools; mechanical control mechanisms for industrial robots; mechanical control apparatus for machine tools; pneumatic control mechanisms for industrial robots; robotic apparatus for handling materials; robotic arms for assembling; robotic arms for industrial purposes; robotic arms for loading; robotic handling apparatus; robotic mechanisms [machines] for loading; robotic mechanisms [machines] for lifting; robotic mechanisms being parts of loading-unloading machines and apparatus; semiconductor manufacturing machines; semiconductor substrates manufacturing machines; sorting machines for industrial use; sensor-controlled sorting machines; transmissions for machines; valves as machine components; vibrators [machines] for industrial purposes.	Filing date: 29 November 2023 Expiry date: Not available yet	Pending approval ⁽²⁾

6. BUSINESS OVERVIEW (CONT'D)

No.	Trademark	Issuing authority	Applicant	Application / Registration No.	Description	Filing date / Expiry date	Status
					Class 42/ Advice relating to the design of computer software; advice relating to the design of computer systems; calibration of machines; computer aided industrial research; computer aided scientific research; computer aided engineering design; computer software design; computer software research; design of machines, apparatus and instruments; engineering research; engineering feasibility studies; engineering consultancy services; engineering surveying; industrial analyses and research services; industrial process development; industrial research, development and testing; maintenance and installation of computer software; mechanical research; mechanical and electrical engineering services; preparation of reports relating to engineering; preparation of reports relating to technical research; preparation of reports relating to computer programming; preparation of reports relating to industrial design; preparation of reports relating to technological research; research and design services; scientific and industrial analysis and research services; scientific and technological services and research and design relating thereto; technical research; technological research; testing services relating to machines, apparatus and instruments.		

6. BUSINESS OVERVIEW (CONT'D)

No.	Trademark	Issuing authority	Applicant	Application / Registration No.	Description	Filing date / Expiry date	Status
2.	IntelliStock	MyIPO	SASB	TM2023036145	Class 9/ Bios [basic input/output system] software; cd drives for computers; cd-is [compact disc interactive]; cd-rom drives; lan [local area network] operating software; wan [wide area network] operating software; apparatus and instruments for controlling and monitoring unmanned vehicles; apparatus for data storage; apparatus for monitoring and recording the performance of machinery; artificial intelligence and machine learning software; augmented reality software; augmented reality training simulation software in the field of engineering; cloud computing software; computer hardware and computer software for database management; computer interface software; computer operating system software; computer programs and software; computer programs, downloadable; computer programs, recorded; computer search engine software; computer software and hardware; computer software designed to estimate resource requirements; computer software for data and document capture, transmission, storage and indexing; computer software for two or three-dimensional simulation for use in design and development of industrial products; computer software for use in automating and managing business processes; computer software platforms, recorded or downloadable; computer software programs; computer software to maintain and operate computer systems; computer utility software, downloadable; computer-generated imagery [cgi] software; coordinate measuring machines; data processing software; downloadable cloud computing software; downloadable computer software for remote monitoring and analysis; downloadable software; electronic semiconductors; electronic control systems for machines; humanoid robots with artificial intelligence; industrial process control software; large-scale integrated circuits; leveling instruments; measuring and testing machines and instruments; monitoring apparatus, other than for medical purposes; power distribution or control machines and apparatus; power adapters; power generation monitoring apparatus; probes for testing semiconductors; robot operating system [ros]; scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signaling, checking [supervision], life-saving and teaching apparatus and instruments; semi-conductor chips; semi-conductor devices; semi-conductor memory units; semi-conductor testing apparatus; semiconductor integrated circuits; sensors [measurement apparatus], other than for medical use; software for robotic process automation; solar cells; solar panels for the production of electricity.	Filing date: 29 November 2023 Expiry date: 29 November 2033 ⁽³⁾	Registered
3.	IntelliMove	MyIPO	SASB	TM2023036149	computer software to maintain and operate computer systems; computer utility software, downloadable; computer-generated imagery [cgi] software; coordinate measuring machines; data processing software; downloadable cloud computing software; downloadable computer software for remote monitoring and analysis; downloadable software; electronic semiconductors; electronic control systems for machines; humanoid robots with artificial intelligence; industrial process control software; large-scale integrated circuits; leveling instruments; measuring and testing machines and instruments; monitoring apparatus, other than for medical purposes; power distribution or control machines and apparatus; power adapters; power generation monitoring apparatus; probes for testing semiconductors; robot operating system [ros]; scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signaling, checking [supervision], life-saving and teaching apparatus and instruments; semi-conductor chips; semi-conductor devices; semi-conductor memory units; semi-conductor testing apparatus; semiconductor integrated circuits; sensors [measurement apparatus], other than for medical use; software for robotic process automation; solar cells; solar panels for the production of electricity.	Filing date: 29 November 2023 Expiry date: 29 November 2033 ⁽³⁾	Registered

6. BUSINESS OVERVIEW (CONT'D)

Notes:-

- (1) Registration of this trademark shall give no right to the exclusive use of the word "Automation".
- (2) We are not materially dependent on the trademark "STRATUS Automation" as our customers primarily purchase our solutions based on system design and quality as well as reliability of service, rather than brand recognition. Accordingly, the non-registration of the trademark is not expected to have any material impact on our business operations or financial performance.
- (3) The trademark is valid for 10 years and may be renewed every 10 years and subject to renewal fee paid to the relevant authority.

6.18 Material properties, plant, machinery and equipment

6.18.1 Properties owned by our Group

A summary of the material property owned by our Group as at the LPD is as follows:-

No.	Title / Postal address	Details	Legal / Beneficial owner	Built-up area / Land area (sq ft)	Date of issuance of CF/CCC	Express condition / Restriction in interest	Major encumbrances	Audited NBV as at 31 March 2025 (RM'000)
1.	Title: Lot 12147, Mukim 12, Daerah Barat Daya, Negeri Pulau Pinang held under Pajakan Negeri No. Hakmilik 6700 Postal address: No. 73-C, Lintang Bayan Lepas, Taman Perindustrian Bayan Lepas, 11900 Bayan Lepas, Pulau Pinang	Description: Double storey factory and four-storey factory connected with a link bridge Existing use: Factory and office Tenure: 60 years lease expiring on 3 April 2056 Category of land use: Industrial	SASB	115,266 / 88,479	24 March 2010 and 16 December 2022	Express condition: Nil Restriction in interest: (i) The land hereby alienated shall not be transferred, charged, leased, subleased, rented or otherwise dealt with in any manner without the written sanction of the State Authority. (ii) The land hereby alienated shall not be subdivided. (iii) The land hereby alienated and all buildings erected thereon shall not be used for any other purpose other than those approved by the Penang Development Corporation and the State Authority.	Charged to Hong Leong Islamic Bank Berhad vide Presentation No. 0799SC202403 3472 registered on 20 August 2024	31,902

6. BUSINESS OVERVIEW (CONT'D)

Save as disclosed below, as at the LPD, the property owned by our Group is not in breach of any land use conditions and/or not in non-compliance with current statutory requirements, land codes, building regulations or by-laws, which will have material adverse impact on our operations.

As at the LPD, all of our Group's owned property (i.e. Bayan Lepas Facility) has been issued with valid CF/CCC. Our Group had, however, recently undertaken minor internal renovation works at the Bayan Lepas Factory 1 which involved the partitioning of 2 internal areas, namely the pantry entrance and the Surface Mount Technology ("**SMT**") area, covering approximately 2,071 sq ft and 943 sq ft respectively out of the total built-up area of Bayan Lepas Factory 1 of 42,161 sq ft. The renovation works did not affect the structural integrity or approved use of the premises.

The renovation works commenced in June 2025 after obtaining the necessary approval from the Penang Island City Council (MBPP) in February 2025 and were completed in September 2025. Our Group is currently awaiting the Fire and Rescue Department of Malaysia's ("**Bomba**") site inspection, following which the CCC is expected to be issued upon clearance from Bomba.

Our Group anticipates obtaining the updated CCC for the renovated areas by early 2026 and will continue to ensure compliance with all relevant building and fire safety regulations.

6.18.2 Properties rented by our Group

There are no material properties rented by our Group for our business operations as at the LPD.

6.18.3 Material machinery and equipment

The material machinery and equipment owned and used by our Group for our business operations are set out below:-

No.	Machinery and equipment	Brief description	No. of units as at 31 March 2025	Audited NBV as at 31 March 2025 (RM'000)	Average useful life of machinery (years)	Average age of machinery (years)
1.	CNC milling machine	CNC milling machine used to fabricate AMHS hardware components via computer-controlled system	10	1,876	20	5
2.	CNC router machine	CNC router machine used to fabricate AMHS hardware components via computer-controlled system	1	-	15	7
3.	Airborne particle counter	Cleanroom particle counter that provides real-time measurement of yield-impacting particles for continuous cleanroom monitoring	1	-	10	6

6. BUSINESS OVERVIEW (CONT'D)

No.	Machinery and equipment	Brief description	No. of units as at 31 March 2025	Audited NBV as at 31 March 2025 (RM'000)	Average useful life of machinery (years)	Average age of machinery (years)
4.	Cold saw / Bandsaw	Cold saw / Bandsaw machine used for cutting material during our in-house fabrication of AMHS hardware components	4	41	15	7
5.	SMT line	SMT line used for the mounting of electronic components onto the surface of the printed circuit board (PCB) for our in-house designed printed circuit board assembly (PCBA)	1	62	25	16
6.	Material lift stacker	Material lift stacker used to move materials in our warehouse	2	4	20	1
7.	Laser marking machine	Laser marking machine used to create a lasting mark on a surface, usually for labelling of our AMHS hardware components	1	12	20	3
8.	Conventional milling machine	Conventional milling machine used to fabricate AMHS hardware components via manual control by a machinist	3	22	30	12
9.	Deburring machine	Deburring machine used for removing sharp edges or burrs of machined parts	1	21	10	1
10.	Crimping machine	Crimping machine used for crimping wire pin of cable harness	13	57	10	2
11.	Pneumatic press machine	Pneumatic press machine used to assemble bearing onto the shaft for our conveyor system	1	2	10	2
12.	Forklift	Forklift used to move materials within our Bayan Lepas Facility for storage, loading or unloading from the truck	2	31	25	7

6. BUSINESS OVERVIEW (CONT'D)

6.19 Relevant laws, regulations, rules or requirements, and environmental, social and governance practices**6.19.1 Governing laws and regulations**

The relevant laws, regulations, rules or requirements governing the conduct of our Group's business and environmental issues which are material to our Group's business or operations are summarised below. The following does not purport to be an exhaustive description of all relevant laws and regulations of which our business is subject to and is only intended to provide general information to investors. It is not intended to be a substitute for independent professional advice.

(i) Malaysia**(a) Local Government Act 1976 ("LGA")**

The LGA is enacted to revise and consolidate the laws relating to local government in Peninsular Malaysia. Every licence or permit granted by the local authority shall be subject to such conditions and restrictions as the local authority may think fit and shall be revocable by the local authority at any time without assigning any reason therefor.

Pursuant to the LGA, a person who fails to exhibit or produce his licence on the licensed premises shall be liable to a fine not exceeding RM500 or to imprisonment for a term not exceeding 6 months or to both.

As at the LPD, our Group holds a valid business licence and complies with the LGA.

(b) Industrial Co-ordination Act 1975 ("ICA 1975")

The ICA 1975 requires manufacturing companies with shareholders' funds of RM2.5 million and above or engaging 75 or more full-time paid employees to apply for a manufacturing licence from the MITI. Failure to observe and adhere to the licensing requirements under the ICA 1975 will constitute an offence which is punishable on conviction to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 6 months and to a further fine not exceeding RM1,000 per day during which the non-compliance continues.

The licensing officer may also in his discretion revoke a licence if the manufacturer to whom a licence is issued:-

- has not complied with any condition imposed in the licence;
- is no longer engaged in the manufacturing activity in respect of which the licence is issued; or
- has made a false statement in his application for the licence.

The licensing officer may also withhold or suspend the revocation of the licence if he is satisfied that the act or omission on the part of the manufacturer under the above situations was due to some cause beyond his control and there is a reasonable prospect of such act or omission being remedied within such period as the licensing officer may direct.

As at the LPD, our Group holds a valid manufacturing licence and complies with the ICA 1975.

6. BUSINESS OVERVIEW (CONT'D)**(c) Customs Act 1967 ("CA 1967")**

The customs related matters in Malaysia are governed by the CA 1967.

In respect of a warehouse licensed under Section 65 of the CA 1967, the Director General may, on payment of such fees as may be prescribed, grant a licence to a licensee, and when granted withdraw any licence, for warehousing goods liable to customs duties in a place or places specified in such licence. The Director General may allow goods, other than goods liable to customs duty, to be kept in the licensed warehouse subject to such conditions he deems fit. Any such licence shall be for such period and subject to such conditions as the Director General in each case may specify in the licence. If it appears at any time that in any licensed warehouse or any part thereof there is a deficiency in the quantity of dutiable goods which ought to be found therein, the licensee of such warehouse shall, in the absence of proof to the contrary, be presumed to have illegally removed such goods and shall, without prejudice to any proceedings under the CA 1967, be liable to pay to the proper officer of customs the customs duty leviable on the goods found deficient provided that if it is shown to the satisfaction of the Director General that such deficiency has been caused by unavoidable leakage, breakage or other accident, the Director General may remit the whole or any part of the customs duty leviable on the goods found deficient.

Pursuant to Section 65A of the CA 1967, the Director General may, on payment of such fees as may be fixed by him in each case, grant a licence to any person and when granted withdraw, suspend or cancel any such licence, to carry on any manufacturing process and other operation in respect of the goods liable to customs duties and any other goods. Such manufacturing warehouse licence issued shall be deemed to include a licence for warehousing goods as provided under Section 65 of the CA 1967.

Every omission or neglect to comply with, and every act done or attempted to be done contrary to, the provisions of the CA 1967, or any breach of the conditions and restrictions subject to, or upon which, any licence or permit is issued or any exemption is granted under the CA 1967, shall be an offence against the CA 1967 and in respect of any such offence for which no penalty is expressly provided, the offender shall be liable to a fine of not exceeding RM50,000 or to imprisonment for a term not exceeding 5 years or to both.

As at the LPD, our Group holds a valid manufacturing warehouse licence and complies with the CA 1967.

(d) Environmental Quality Act 1974 ("EQA 1974")

The EQA 1974 governs the enforcement of waste disposal in Malaysia in order to control pollution.

The EQA 1974 regulates, amongst others, the deposit or disposal of, or cause or permit to place, deposit or dispose of, except at prescribed premises only, any scheduled wastes on land or into Malaysian waters; receive or send, or cause or permit to be received or sent any scheduled wastes in or out of Malaysia; or transit or cause or permit the transit of scheduled wastes, without any prior written approval of the Director General. The Director General may grant the written approval either subject to conditions or unconditionally. Any person who contravenes this Section 34A of the EQA 1974 commits an offence, and shall on conviction, be punished with imprisonment for a term of not exceeding 5 years and shall also be liable to a fine of not less than RM100,000 and not exceeding RM10 million.

6. BUSINESS OVERVIEW (CONT'D)

The EQA 1974 further provides that where an offence against the EQA 1974 or any regulations made thereunder has been committed by a company, firm, society or other body of persons, any person who at the time of committing the offence is a director, chief executive officer, manager, or other similar officer or a partner of the company, firm, society or other body of persons or was purporting to act in such capacity shall be deemed to be guilty of that offence unless he provides that the offence was committed without his consent or connivance and that he has exercised all such diligence as to prevent committing the offence as he ought to have exercised having regard to the nature of his functions in that capacity and to all the circumstances.

As at the LPD, our Group complies with the EQA 1974.

(ii) USA

The relevant laws and regulations affecting our Group to conduct its business in the USA include the Revised Code of Washington (R.C.W.), Washington Administrative Code (WAC), 25 U.S.C. – International Revenue Code (IRC), Fair Labor Standard Act (FLS) and Title VII of the Civil Rights Act of 1964 (Title VII).

As at the LPD, our Group is in compliance with the above relevant laws and regulations.

(iii) Singapore**(a) Employment Act 1968 (“EA”)**

The EA is administered by the Ministry of Manpower of Singapore and sets out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees who are covered under the EA.

In particular, Part 4 of the EA sets out requirements for rest days, hours of work and other conditions of service for workmen who receive salaries not exceeding SGD4,500 a month and employees (other than workmen or persons employed in managerial or executive positions) who receive salaries not exceeding SGD2,600 a month.

An employer who employs any person as an employee contrary to or fails to pay any salary in accordance with the provisions of Part 4 of the EA shall be guilty of an offence and shall be liable on conviction to a fine not exceeding SGD5,000, and for a second or subsequent offence to a fine not exceeding SGD10,000 or to imprisonment for a term not exceeding 12 months or to both.

As at the LPD, our Group complies with the relevant requirements under the EA.

6.19.2 Environmental, social and governance practices

Our Group has established a governance framework to oversee ESG matters across our operations. This framework references the National Sustainability Reporting Framework (NSRF) and incorporates relevant principles from International Financial Reporting Standards (“IFRS”) S1 on general sustainability-related disclosures and IFRS S2 on climate-related disclosures. It also takes into account the Enhanced Sustainability Disclosure Guidelines issued by Bursa Securities.

(i) Environmental practices

Environmental and climate-related responsibilities are managed through established processes within our Group’s operational and risk management systems. Climate and environmental risks are incorporated into the Enterprise Risk Management (ERM) framework, while environmental performance indicators, such as energy use, emissions, and resource efficiency, are progressively monitored.

6. BUSINESS OVERVIEW (CONT'D)

Our Group continues to enhance our emissions-tracking capabilities and to assess transition and physical climate risks, taking into account regulatory developments related to decarbonisation and environmental compliance.

Further, our business operations apply recognised management practices, including environmental ISO-aligned frameworks (with certain subsidiaries accredited to ISO 14001 and ISO 45001 standards relating to environmental management system and occupational health and safety management system respectively). Environmental improvement initiatives, such as energy efficiency, waste reduction and responsible resource management are also implemented and monitored at operational and governance levels.

(ii) Social practices

Our Group's social practices focus on employee well-being, safety, fair employment, stakeholder engagement and responsible conducts. Our Sustainability and Risk Management Committee monitors key social indicators and considers stakeholder input as part of the annual materiality process.

Our Group has put in place human capital initiatives, including employee safety programmes, health and welfare measures and training activities covering technical skills and safety compliance with internal safety policies. Further, our Group engages with employees, customers, suppliers, regulators and local communities to understand expectations and incorporate them into sustainability assessments. Supply chain-related social risks are monitored through supplier engagement and adherence to relevant standards on safety, ethics and labour practices. Community initiatives are undertaken in line with the Corporate Social Responsibility (CSR), Donation and Sponsorship Policy to ensure responsible and consistent support for community-based activities.

(iii) Governance structure and practices

Our Board is responsible for our Group's overall sustainability direction (including oversight of ESG strategy, climate-related risks and opportunities and the quality of sustainability disclosures) and reviews and approves ESG-related strategies, policies and performance targets. Our Board is supported by our Sustainability and Risk Management Committee, which oversees the integration of sustainability risks into corporate decision-making and monitors progress on key ESG matters. The Sustainability and Risk Management Working Group, on the other hand, supports our Sustainability and Risk Management Committee by coordinating implementation activities, reviewing material sustainability matters and ensuring operational alignment with relevant sustainability standards.

Our Group's governance structure also incorporates key internal policies that promote ethical conduct, regulatory compliance and responsible business practices. These include the Fit and Proper Policy, Code of Conduct and Ethics, Anti-Bribery and Corruption Policy, Whistleblowing Policy, Related Party Transactions Policy, Conflict of Interest Policy, Anti-Money Laundering and Anti-Terrorism Financing ("**AMLA**") Policy, Gift, Entertainment, Hospitality and Travel Policy and the Corporate Social Responsibility (CSR), Donation and Sponsorship Policy. These policies form part of the broader governance and internal control environment and support our management of ESG-related risks.

6. BUSINESS OVERVIEW (CONT'D)

Our Group applies governance practices grounded in ethics, accountability and compliance with regulatory requirements. The Code of Conduct and Ethics sets expectations for employee and director behaviour, while the Fit and Proper Policy guides the selection and evaluation of Board members and key officers. The Anti-Bribery and Corruption Policy, Gift, Entertainment, Hospitality and Travel Policy and AMLA Policy establish controls to address corruption, bribery, financial crime and other misconduct risks. The Whistleblowing Policy provides channels for reporting concerns whilst the Conflict of Interest and Related Party Transactions Policies ensure transparency and proper management of potential conflicts.

ESG considerations are embedded in our Group's strategic planning processes. Material ESG matters will be identified and updated through periodic materiality assessment and ESG and climate-related risks are included in risk registers and incorporated into mitigation plans.

Climate-related risks are part of the enterprise-wide risk assessment process and corruption and compliance risks are reviewed periodically. Governance reviews include assessments of the Sustainability and Risk Management Committee's activities as well as consideration of findings from auditors, regulators and sustainability assurance providers and the coordination among Board Committees helps maintain clarity of oversight responsibilities.

Further, our business strategies reflect sustainability priorities, including environmental compliance, operational safety, automation efficiency and supply chain responsibility. ESG-linked performance indicators will also be used to support long-term operational resilience and responsible growth. Our Group continues to enhance our ESG performance monitoring and reporting processes, where ongoing initiatives have been implemented, which include strengthening climate-related risk assessments and disclosures as well as updating ESG-related policies to align with regulatory requirements.

6.20 Dependency on contracts, agreements, documents or other arrangements

As at the LPD, there are no contracts, agreements, documents, other arrangements or other matters entered into by or issued to us which we are materially dependent on, or which are material to our business and profitability.

6.21 Interruptions to business and operations

Our Group has not experienced any interruptions which had a significant effect on our operations in the past 12 months preceding the LPD.

6.22 Environmental matters

As at the LPD, there are no environmental matters that may materially affect our Group's business operations.

6. BUSINESS OVERVIEW (CONT'D)

6.23 Future plans and business strategies**6.23.1 Expansion of our facility**

As part of our business expansion plans, we intend to acquire the New Property for the establishment of the New Facility. The New Facility is expected to provide us with additional production floor space for our in-house fabrication as well as assembly and testing of AMHS components to support multiple projects concurrently and to cater for our growing order book.

The New Facility will also incorporate a dedicated R&D and demonstration centre. In tandem with this development, we intend to relocate certain production activities from our Bayan Lepas Facility to the New Facility, thereby freeing up floor space to accommodate a larger and more dedicated R&D area at our Bayan Lepas Facility. This is a key part of our expansion plan to strengthen our R&D capacity and capabilities in line with the increasing technical requirements of our AMHS solutions and to support long-term product innovation. The dedicated area of the New Facility will primarily function as a demonstration centre for our AMHS solutions, and will also house a smaller ad-hoc R&D unit to support project-specific needs. Both the New Facility and our Bayan Lepas Facility will continue to maintain R&D stations alongside production activities, as R&D integration is essential to customisation, process refinement and continuous product development.

In addition, the New Facility will provide expanded warehouse capacity for the storage of raw materials and outsourced parts as well as temporary storage of AMHS components prior to assembly and testing. This will enhance our operational efficiency and support higher volumes of production in line with our growth strategy.

We are currently in the midst of identifying a suitable New Property that meets our requirement for the establishment of the New Facility located in Bayan Lepas or Batu Kawan, Penang. We expect to complete the acquisition of the New Property by the 4th quarter of 2026 and the development of the New Facility by the 2nd quarter of 2028. Accordingly, the commencement of operations at the New Facility is expected to take place in the 4th quarter of 2028. Further details on the expansion of our facility are set out in **Section 3.5.1(i)** of this Prospectus.

6.23.2 Geographical business expansion to overseas market

We plan to expand our overseas presence through the establishment of sales and engineering support offices in Asia, Europe and the USA. In view of the significance of these regions in the global semiconductor industry (in particular, Asia and Europe being amongst the leading global semiconductor manufacturing hubs) as well as the anticipated growing global demand for semiconductors, we have identified Japan, Taiwan, Germany and the USA as our target market and priority for our overseas expansion.

The establishment of these offices will enable us to be at closer proximity to our customers in these regions, facilitating direct engagement with existing and potential customers, improving responsiveness to customer requirements and supporting stronger long-term relationships. These offices will also enable our Group to provide localised engineering support, which is important in ensuring timely technical assistance and effective delivery of our AMHS solutions.

Further, by establishing a physical presence in these regions, we are able to enhance our business visibility, strengthen our sales outreach and customer support capabilities and broaden our access to new opportunities in both front-end and back-end semiconductor markets internationally.

Further details on the geographical business expansion to overseas market are set out in **Section 3.5.1(ii)** of this Prospectus.

6. BUSINESS OVERVIEW (CONT'D)

6.23.3 Expansion of markets within the semiconductor value chain

We intend to broaden our market coverage in line with the projected expansion of the global semiconductor industry. According to SEMI, the global semiconductor equipment sales is expected to increase at a CAGR of 4.44% from USD107.40 billion (RM472.61 billion) in 2022 to USD117.14 billion (RM535.54 billion) in 2024. SEMI has also extended its outlook to 2030, reflecting sustained investment in 300mm wafer fabrication capacity, which is expected to represent a significant share of global installed wafer capacity by the mid-2020s. Further details on the outlook of the semiconductor industry are set out in **Section 7** of this Prospectus.

In view of such prospects, we are well positioned to participate in this transition, as our AMHS solutions are already deployed in semiconductor facilities handling 300mm wafers and have been developed with specifications that meet the stringent requirements of this segment. Building on this foundation, our solutions are scalable to support the increasing throughput requirement and high process tool utilisation required in 300mm wafer fabrication facilities. Process tool utilisation, which refers to the efficient use of process tools by minimising idle time and downtime, is directly supported by AMHS through seamless, automated and timely movement of materials across different processing stages.

Further, we intend to further broaden our participation in the back-end semiconductor production segment, which covers companies engaged in the assembly, packaging and testing of semiconductors. This initiative builds on our existing capabilities and allows us to capture a wider share of opportunities across the semiconductor value chain. Having established a proven track record in supporting front-end semiconductor production segment (which typically demand complex technical specifications and stringent QA/QC procedures and high process tool utilisation), we view increased participation in the back-end semiconductor production segment as a natural progression of our business. While front-end semiconductor production involves intricate and highly complex process flows, back-end semiconductor production comprises multiple distinct stages such as wafer dicing, die bonding, wire bonding, encapsulation and testing, each requiring specialised equipment and materials. The presence of these separate processing stages creates a heightened need for automation systems with high precision and accuracy to ensure the seamless transfer of materials between machines to minimise idle time and achieve production efficiency.

Our proven expertise in the automating material handling operations of front-end semiconductor production companies provides us with a competitive advantage to address the needs of back-end semiconductor facilities, where automation adoption is increasing in response to rising labour costs, demand for higher productivity, the need for greater throughput and precision, and the industry shift towards advanced packaging technologies. Further, our hybrid AMHS solutions, which features, amongst others, intelligent dispatch algorithms and automation software, overhead shelving systems and multi-carrier compatibility, enable our Group to cater for the requirements of back-end semiconductor production. These solutions optimise throughput in high-volume assembly, packaging and testing facilities whilst ensuring transport accuracy through dynamic rerouting capabilities that reduce idle time, improve coordination across transport modules and minimise bottlenecks.

Over the longer term, we expect these initiatives, namely expanding into the 300mm front-end segment and penetrating into the back-end segment, to broaden our addressable market, diversify our revenue base and strengthen our competitive positioning across the semiconductor value chain.

7. IMR REPORT

SMITH ZANDER INTERNATIONAL SDN BHD 201301028298 (1058128-V)

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SMITH ZANDER

Date: 10 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

Pulau Pinang

Dear Sirs / Madams,

Independent Market Research Report on the Global Semiconductor Industry and Automated Material Handling System ("AMHS") Segment within the Semiconductor Industry ("IMR Report")

This IMR Report has been prepared by SMITH ZANDER INTERNATIONAL SDN BHD ("SMITH ZANDER") for inclusion in the draft Prospectus in conjunction with the proposed listing of Stratus Global Holdings Berhad on the Main Market of Bursa Malaysia Securities Berhad.

The objective of this IMR Report is to provide an independent view of the industry in which Stratus Global Holdings Berhad and its subsidiaries ("Stratus Global Group") operate and to offer a clear understanding of the industry dynamics. Stratus Global Group is a factory automation solutions provider, specialising in cleanroom AMHS solutions, whereby its solutions are primarily catered towards companies operating within the semiconductor industry. Hence, the scope of work for this IMR Report will address the following areas:

- (i) The global semiconductor industry; and
- (ii) The AMHS segment within the semiconductor industry, being the segment of the semiconductor industry within which Stratus Global Group is principally involved.

The research process for this study has been undertaken through secondary or desktop research, as well as detailed primary research when required, which involves discussing the status of the industry with leading industry participants. Quantitative market information could be sourced from interviews by way of primary research and therefore, the information is subject to fluctuations due to possible changes in business, industry and economic conditions.

SMITH ZANDER has prepared this IMR Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this IMR Report presents a balanced view of the industry within the limitations of, amongst others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective and may not necessarily reflect the performance of individual companies in this IMR Report. SMITH ZANDER shall not be held responsible for the decisions and/or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies mentioned in this report.

For and on behalf of SMITH ZANDER:



DENNIS TAN
MANAGING PARTNER

7. IMR REPORT (CONT'D)

SMITH ZANDER

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Any part of this IMR Report used in third party publications, where the publication is based on the content, in whole or in part, of this IMR Report, or where the content of this IMR Report is combined with any other material, must be cited and sourced to SMITH ZANDER.

The research for this IMR Report was completed on 8 December 2025.

For further information, please contact:

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About SMITH ZANDER INTERNATIONAL SDN BHD

SMITH ZANDER is a professional independent market research company based in Kuala Lumpur, Malaysia, offering market research, industry intelligence and strategy consulting solutions. SMITH ZANDER is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other fund-raising and corporate exercises.

Profile of the signing partner, Dennis Tan Tze Wen

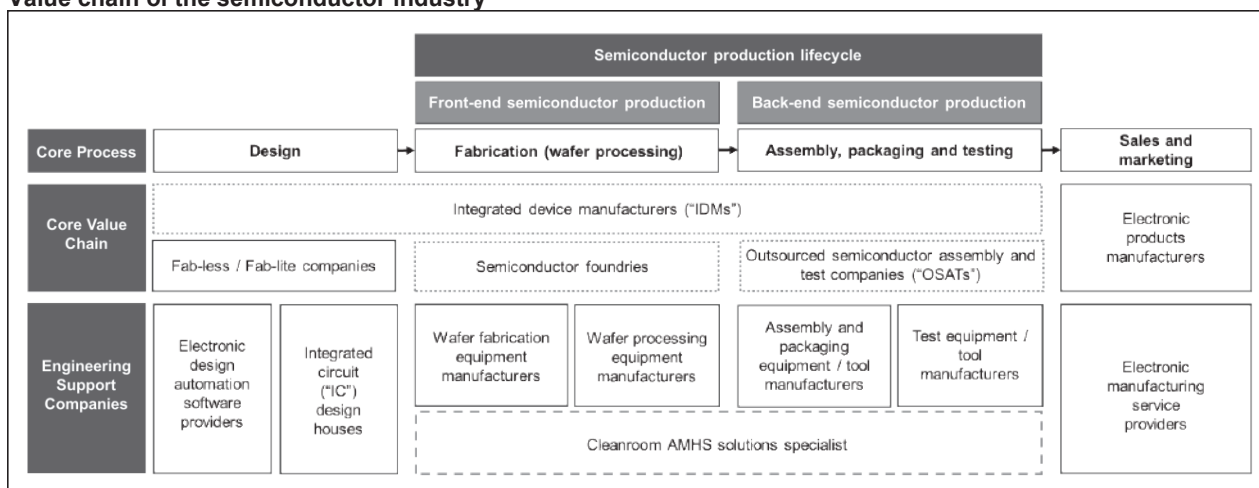
Dennis Tan is the Managing Partner of SMITH ZANDER. Dennis Tan has over 27 years of experience in market research and strategy consulting, including over 22 years in independent market research and due diligence studies for capital markets throughout the Asia Pacific region. Dennis Tan has a Bachelor of Science (major in Computer Science and minor in Business Administration) from Memorial University of Newfoundland, Canada.

7. IMR REPORT (CONT'D)

SMITH ZANDER

1 THE GLOBAL SEMICONDUCTOR INDUSTRY

The global semiconductor industry has significant economic contribution to most regions around the world, with significant linkages to the global electrical and electronic ("E&E") industry as semiconductors are essential components of electronic devices. The range of applications for semiconductors has broadened significantly over the last decade and they play an essential role in almost every aspect of our lives, supporting the needs of various industries such as consumer electronics, information and communications technology, telecommunications, automotive, healthcare as well as manufacturing. The technology of semiconductors has been constantly evolving in terms of performance and size to meet increasing demand for lighter and more sophisticated electronic devices.

Value chain of the semiconductor industry**Notes:**

- denotes Stratus Global Group's customers within the value chain of the semiconductor industry.
- denotes the segment within the value chain of the semiconductor industry in which Stratus Global Group is principally involved.

Source: SMITH ZANDER

The semiconductor industry comprises companies involved in the design, fabrication, assembly, packaging, testing as well as sales and marketing of semiconductor products. These processes represent the semiconductor production lifecycle. The front-end segment of the semiconductor production lifecycle entails the fabrication of semiconductor products, while the back-end segment entails the assembly, packaging and testing of semiconductor products.

In the past, the semiconductor industry primarily comprised IDMs, which are vertically integrated companies that own the brands or intellectual properties for various electronic devices, and whose principal activities encompass the design, fabrication, assembly, packaging and testing of semiconductor products. As semiconductor production increased in complexity over the years due to technological advancements, companies that specialise in specific processes within the semiconductor industry emerged.

Presently, there are five major types of companies involved in the semiconductor industry value chain, namely IDMs, fab-less companies (i.e. companies that design ICs and outsource the entire semiconductor production process), fab-lite companies (i.e. companies that design ICs and outsource a significant part of the semiconductor production process), semiconductor foundries and OSATs. OSATs are industry players that specialise in semiconductor assembly, packaging and testing, whereby the fab-less and fab-lite companies, and sometimes the IDMs, outsource assembly, packaging and testing activities to OSATs.

As different equipment and tools are required at each stage of the semiconductor value chain, semiconductor industry players are supported by engineering support companies that supply equipment and/or tools that are required in the manufacturing of semiconductors. Engineering support companies include, amongst others, companies that specialise in the production of equipment and/or tools, such as AMHS, wafer fabrication equipment and wafer processing equipment.

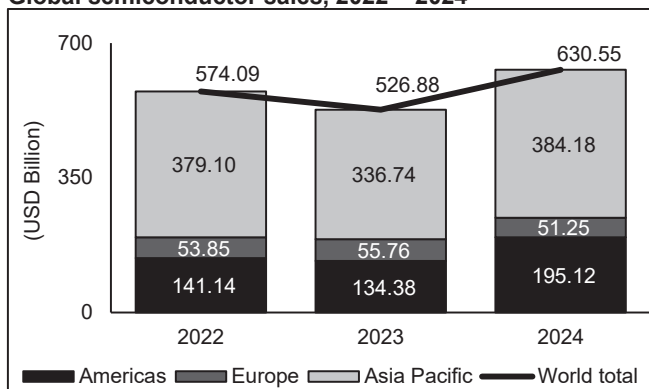
7. IMR REPORT (CONT'D)

SMITH ZANDER

The industry performance, size and growth of the semiconductor industry are as follows:

(i) **Global semiconductor sales**

The size of the global semiconductor industry can be represented by global semiconductor sales.

Global semiconductor sales, 2022 – 2024

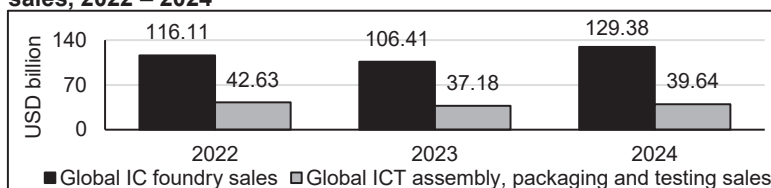
Source: World Semiconductor Trade Statistics ("WSTS")

From 2022 to 2024, global semiconductor sales increased at a compound annual growth rate ("CAGR") of 4.80% from USD574.09 billion (RM2.53 trillion)¹ to USD630.55 billion (RM2.88 trillion)¹. In 2023, global semiconductor sales declined year-on-year ("YOY") by 8.22% due to dampened demand for consumer electronics such as personal computers, tablets and smartphones caused by macroeconomic factors such as rising interest rates and inflation rates, which led to the decrease in sales in the IC segment, and subsequently resulted in a global oversupply of semiconductor chips.

Nevertheless, in 2024, global semiconductor sales experienced a rebound of 19.68% to USD630.55 billion (RM2.88 trillion) as the IC segment underwent a significant recovery. Moving forward, in 2025, WSTS expects global semiconductor sales to grow YOY by 11.15% to USD700.88 billion (RM3.20 trillion)¹.

From 2022 to 2024, Asia Pacific was the largest contributor to the global semiconductor industry, contributing to an average of 63.53% to global semiconductor sales, followed by the Americas (27.18%) and Europe (9.29%). Overall, semiconductor sales in Asia Pacific and the Americas grew during this period, with the Americas exhibiting the most growth, while semiconductor sales in Europe declined. From 2022 to 2024, semiconductor sales in Asia Pacific, the Americas and Europe registered CAGRs of 0.67%, 17.58% and -2.44% respectively. The decline in Europe's semiconductor sales can be attributed to weakened domestic demand. WSTS estimates semiconductor sales for Asia Pacific, the Americas and Europe to grow YOY in 2025 by 8.71%, 18.01% and 3.36% respectively, in line with the expected growth in global semiconductor sales.

The breakdown of global IC sales by the front-end segment (i.e. IC foundry) and back-end segment (i.e. IC assembly, packaging and testing) are as follows:

Global IC foundry sales, and IC assembly, packaging and testing sales, 2022 – 2024

Source: Taiwan Semiconductor Industry Association (TSIA)

From 2022 to 2024, in the front-end segment, global IC foundry sales reflected the growth trends in global semiconductor sales, whereby global IC foundry sales grew at a CAGR of 5.56% from USD116.11 billion (RM510.94 billion) in 2022 to USD129.38 billion (RM591.49 billion) in 2024.

In the back-end segment, global IC assembly, packaging and testing sales fell at a CAGR of 3.58% from USD42.63 billion (RM187.61 billion) in 2022 to USD39.64 billion (RM181.21 billion) in 2024. In 2023, global IC assembly, packaging and testing sales declined YOY by approximately 12.79% to approximately USD37.18 billion (RM169.74 billion), in tandem with the decline in global semiconductor sales. However, in 2024, global IC assembly, packaging and testing sales rebounded by 4.28% to USD39.64 billion (RM181.21 billion).

¹ Exchange rate from USD to RM was converted based on average annual exchange rates of the respective years, extracted from published information from Bank Negara Malaysia ("BNM").

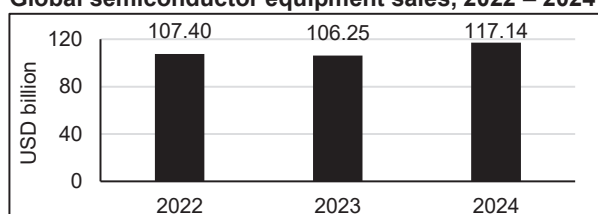
Year	Exchange rate	Year	Exchange rate	Year	Exchange rate
2022	USD1=RM4.4005	2023	USD1=RM4.5653	2024 / 2025	USD1=RM4.5718

7. IMR REPORT (CONT'D)

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(ii) **Global semiconductor equipment sales**

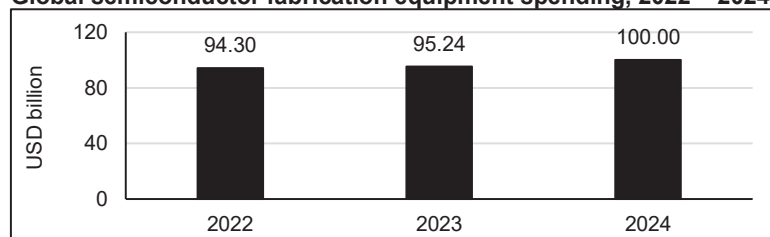
Global semiconductor equipment sales refer to the sale of semiconductor equipment for wafer fabrication, testing as well as assembly and packaging. The growth in global semiconductor equipment sales correlates positively with the global semiconductor sales as growth in semiconductor sales indicates rising demand for semiconductor equipment to support semiconductor manufacturing. Hence, the growth trend of global semiconductor equipment sales is reflective of the growth trend in global semiconductor sales.

Global semiconductor equipment sales, 2022 – 2024

Source: Semiconductor Equipment and Materials International ("SEMI")

From 2022 to 2024, global semiconductor equipment sales increased at a CAGR of 4.44% from USD107.40 billion (RM472.61 billion) to USD117.14 billion (RM535.54 billion). Global semiconductor equipment sales experienced a YOY decline of 1.07% to USD106.25 billion (RM485.06 billion) in 2023 due to a slowdown in back-end equipment segment sales caused by challenging economic conditions and easing semiconductor demand.

Nevertheless, in 2024, there was a rebound in global semiconductor equipment sales with a YOY increase of 10.25% to USD117.14 billion (RM535.54 billion), which was driven by increased investments and increased necessity of more advanced technologies (including the automation of processes) in the front-end and back-end segments of the semiconductor industry.

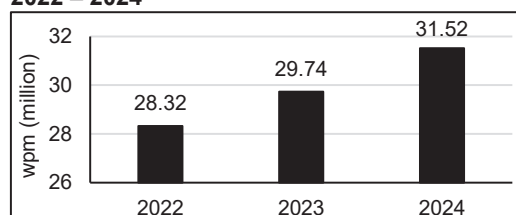
Global semiconductor fabrication equipment spending, 2022 – 2024

Source: SEMI

Global semiconductor equipment sales are mainly driven by fabrication equipment spending. From 2022 to 2024, global semiconductor fabrication equipment spending increased at a CAGR of 2.98% from USD94.30 billion (RM414.95 billion) to USD100.00 billion (RM457.18 billion).

(iii) **Global semiconductor fabrication capacity**

The rise in global demand for semiconductors has led to semiconductor foundries increasing their fabrication capacities and leveraging on automation such as AMHS in order to sustain and fulfil global market demands.

Global semiconductor fabrication capacity, 2022 – 2024

Source: SEMI

Global semiconductor fabrication capacity, which is measured in terms of wafers per month ("wpm"), being the number of semiconductor wafers fabricated each month, correlates positively with the demand for semiconductor engineering support services, which includes the provision of AMHS for semiconductor production.

In 2022, global semiconductor fabrication capacity was at 28.32 million wpm. It increased to 31.52 million wpm in 2024, at an estimated CAGR of 5.50%.

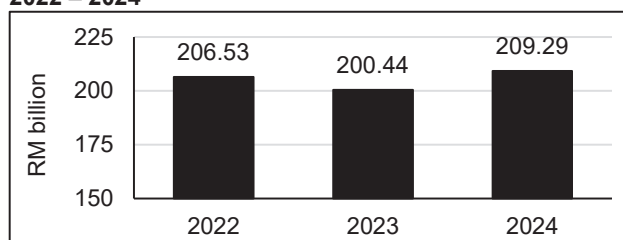
(iv) **Semiconductor sales in Malaysia**

As the 6th largest exporter for semiconductors², the demand for semiconductors in Malaysia can be seen increasing from 2022 to 2024, which is represented by Malaysia's manufacturing sales value of semiconductors.

² Source: Malaysian Investment Development Authority ("MIDA")

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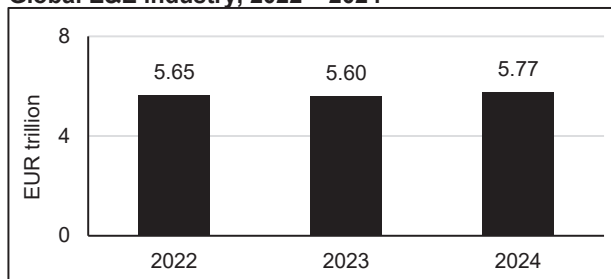
Semiconductor manufacturing sales value in Malaysia, 2022 – 2024

Source: Department of Statistics Malaysia
("DOSM")

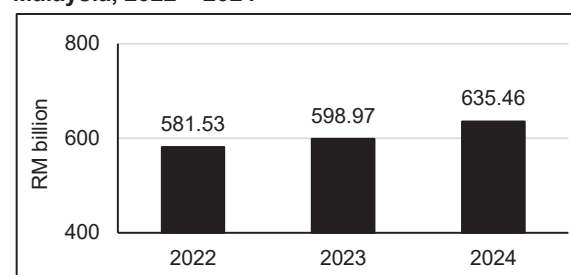
Semiconductor manufacturing sales value in Malaysia increased from RM206.53 billion in 2022 to RM209.29 billion in 2024 at a CAGR of 0.67%. However, in 2023, semiconductor manufacturing sales value in Malaysia declined YOY by 2.95% to RM200.44 billion. The decline in demand for semiconductors was attributable to greater economic uncertainty, high inflation and borrowing costs as well as a slowdown in demand for E&E products globally in 2023. In 2024, semiconductor manufacturing sales value rebounded by 4.42% to RM209.29 billion.

The growth in the semiconductor industry is driven by the following key drivers:

- **Increasing global demand for E&E and rapid technological advancements in E&E products support the demand for semiconductors**

Global E&E industry, 2022 – 2024

Source: German Electrical and Electronic
Manufacturers' Association

Manufacturing sales value of E&E products, Malaysia, 2022 – 2024

Source: DOSM

The growth of the semiconductor industry is highly correlated to the growth in demand for E&E products. The size of the global E&E industry, which is represented by global E&E production, increased from EUR5.65 trillion (RM26.16 trillion)³ in 2022 to EUR5.77 trillion (RM28.54 trillion)³ in 2024, at a CAGR of 1.06%. In Malaysia, the E&E industry, which is measured in terms of manufacturing sales value of E&E products, increased from RM581.53 billion in 2022 to RM635.46 billion in 2024, at a CAGR of 4.53%.

Technologies used in the semiconductor industry are constantly changing owing to the dynamic business environment and the continuous demand for more sophisticated and high-performance semiconductors. This drives new product advancements in the market as manufacturers need to ensure their products remain competitive and are not technologically obsolete. Furthermore, with the widespread digital revolution, technological advancements have become more interconnected with economic activities. The need to keep up with advancing technology is driven by its influence on economic performance and national security. As a result, rapid technological advancements in E&E products are expected to drive the demand for semiconductor devices for the manufacturing of E&E products.

- **The rising prevalence of generative artificial intelligence ("AI") spurs the demand for data centres, E&E devices and semiconductors, which in turn, support the demand for AMHS solutions**

Generative AI has become a major aspect of contemporary lifestyle through its ability to use data input by its users to generate new content based on the input data, as well as offer enhanced functionalities including voice and facial recognition as well as personalised recommendations. Generative AI is largely driven by the data it is fed and learns from these data to provide more accurate or relevant solutions. As

³ Exchange rate from EUR to RM was converted based on average annual exchange rates of the respective years, extracted from published information from BNM.

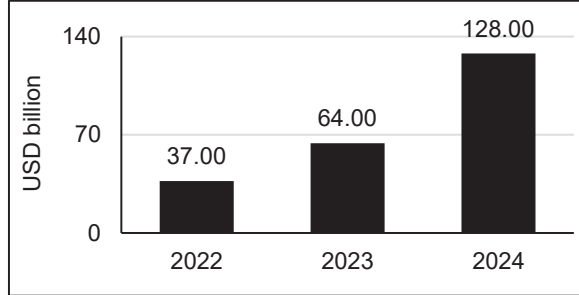
Year	Exchange rate	Year	Exchange rate
2022	EUR1=RM4.6296	2024	EUR1=RM4.9467

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the use of generative AI increases over time, the demand for data centres to process and store the soaring amounts of data used in generative AI will inevitably rise. As data centres are heavily dependent on semiconductor ICs to process and store large amounts of data, the development of generative AI will also spur the demand for semiconductors and in turn, the demand for semiconductor fabrication (which are process automation centric) and the demand for AMHS solutions (which is crucial in the automation of material handling processes).

From 2022 to 2024, global generative AI revenue increased at a CAGR of 86.00% from USD37.00 billion (RM162.82 billion) to USD128.00 billion (RM585.19 billion).

Global generative AI revenue, 2022 – 2024

Source: Statista power required to support newer AI applications.

Moreover, as generative AI continues to advance, E&E devices such as smartphones are increasingly being developed with advanced AI functionalities. Manufacturers are equipping their products with dedicated AI processors and neural processing units (NPUs) to enable features such as real-time image creation, intelligent voice interaction and enhanced user personalisation. The continuous advancement of generative AI technologies is accelerating hardware innovation, as existing devices may lack the processing

As a result, product replacement cycles in the consumer electronics segment are expected to become shorter, with manufacturers introducing updated models ever more frequently to accommodate evolving AI capabilities and meet rising consumer expectations for improved speed and performance. The rise in demand for newer E&E products will drive the demand for semiconductor fabrication and in turn, the demand for AMHS solutions.

► **Approved investments and government initiatives in Malaysia to drive digitalisation**

According to MIDA, the E&E industry in Malaysia in 2024 recorded the highest amount of total approved investments at RM55.81 billion with 153 approved manufacturing projects, primarily driven by foreign direct investment. Total approved investments in the E&E industry contributed to 46.32% of total approved investments in the manufacturing sector of RM120.48 billion in 2024.

Furthermore, the Government of Malaysia has set out various initiatives to drive the growth of digitalisation and the E&E and semiconductor industries. The rise in adoption of digital technologies and E&E demand is expected to sustain the demand for semiconductors and in turn, support the demand for AMHS solutions. Examples of these government initiatives are as follows:

- Through the 13th Malaysia Plan (13MP) 2026 – 2030, Malaysia is targeting nearly RM1.00 trillion in E&E product exports by 2030, driven by the High Value–High Technology Semiconductor Industry Flagship Project. Additionally, the Government of Malaysia has highlighted its intention to accelerate technology and AI adoption through, amongst others, the implementation of a National Data Bank and digital twin technology.
- Under Budget 2026, the Government of Malaysia allocated budgets to drive digitalisation and the E&E and semiconductor industries. Amongst the initiatives are as follows:
 - ❖ Khazanah Nasional Berhad and Kumpulan Wang Persaraan (KWAP) will invest RM550.00 million in the semiconductor industry to drive collaboration between local and multinational companies.
 - ❖ Under the National Semiconductor Strategy (NSS), Bank Pembangunan Malaysia Berhad (BPMB) will allocate RM500.00 million in soft loans to promote high value-added activities, particularly research and development initiatives led by local companies contributing to the E&E industry.
 - ❖ In collaboration with global incubators, the Malaysian Technology Development Corporation (MTDC) will launch an incubator programme called SemiconStart to assist early-stage start-up companies obtain mentorship, access to global funding, discounted prototype and a broader customer network.
 - ❖ RM53.00 million will be allocated for the Malaysia Digital Acceleration Grant to support the growth and adoption of technologies such as AI, blockchain and quantum computing.
- In 2023, the Government of Malaysia launched the New Industrial Master Plan (“NIMP”) 2030, which aims to offer a clear national roadmap to guide the growth and transformation of the industrial sector. The objectives of the NIMP 2030 include advancing the complexity of industrial activities to encompass higher value-added activities, developing complete ecosystems to support the higher value-added activities, and increasing manufacturing exports. Amongst the initiatives set out under the NIMP 2030

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include the setup of at least 3,000 smart factories by 2030, and supporting local companies to grow into global IC design players in AI, electrical vehicle and renewable energy industries. Moreover, in Budget 2026, RM180.00 million has been earmarked for the NIMP Industry Development Fund to support industry development initiatives in high-impact sectors, including semiconductors, AI, digital technologies, pharmaceuticals and sustainability.

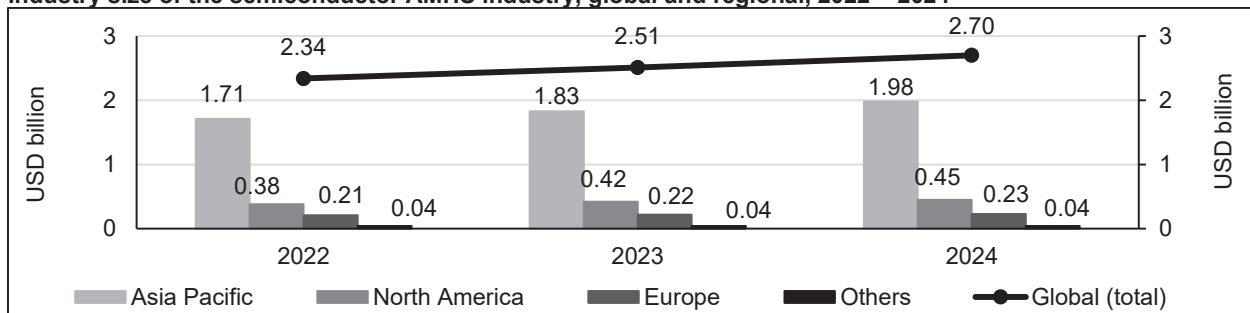
2 THE AMHS SEGMENT WITHIN THE SEMICONDUCTOR INDUSTRY

A material handling system can be a transport system and/or a storage and retrieval system, which is a system designed to move, store and/or retrieve products/materials along manufacturing lines and/or processes. An AMHS is a computer-programmed material handling system that is designed to automate the movement/transport of materials and products throughout manufacturing processes, and thus, enhancing the efficiency, productivity and cost-effectiveness of material handling.

Manufacturing processes typically comprise various stages to produce the final product, from raw material handling to packaging, and may involve handling of materials in large volumes, high frequency and precise timings, throughout the entire manufacturing process. Manufacturing processes which involve manual material handling is more prone to human error and hence may be time-consuming and predisposed to wastages. With the integration of AMHS in automating manufacturing processes, overall production time can be reduced while achieving the required level of precision in the manufacturing process, and ultimately, optimising the manufacturing process and maximising output. The use of AMHS also reduces the need for manual labour which enables manufacturers to maintain a more sustainable operational cost structure and increase their profitability.

AMHS can be used in a wide range of industries within the manufacturing sector. As Stratus Global Group focuses on the provision of AMHS solutions for cleanrooms in the semiconductor industry, this IMR Report will focus on the AMHS segment within the semiconductor industry ("semiconductor AMHS industry"). In the semiconductor industry, AMHS is primarily utilised to support production lines/processes. AMHS may be used in both the front-end and back-end segments of the semiconductor production lifecycle.

Industry size of the semiconductor AMHS industry, global and regional, 2022 – 2024



Note:

- Others comprise Middle East, Africa and South America.

Source: QYResearch

From 2022 to 2024, the global semiconductor AMHS industry size expanded at a CAGR of 7.42% from USD2.34 billion (RM10.30 billion) to USD2.70 billion (RM12.34 billion). Between 2022 to 2024, Asia Pacific was the largest contributor to the global semiconductor AMHS industry size, contributing an average 73.11%, followed by North America (16.55%), Europe (8.75%) and other regions (1.59%). Overall, all regions exhibited growth in the semiconductor AMHS industry from 2022 to 2024, in tandem with the global semiconductor AMHS industry.

In 2024, the global semiconductor AMHS industry size and semiconductor AMHS industry size for Asia Pacific, North America and Europe were recorded at USD2.70 billion (RM12.34 billion), USD1.98 billion (RM9.05 billion), USD0.45 billion (RM2.06 billion) and USD0.23 billion (RM1.05 billion) respectively.

For the financial year end 2024, Stratus Global Group captured the following market shares:

- Global: 1.29%, computed based on its total revenue of RM158.88 million against the global semiconductor AMHS industry size.
- Asia Pacific: 1.49%, computed based on its revenue of RM134.56 million derived from sales to Asia (i.e. Malaysia and other Asian countries) against the semiconductor AMHS industry size for Asia Pacific.

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- North America: less than 1.00%, computed based on its revenue of RM0.01 million derived from sales to North America against the semiconductor AMHS industry size for North America.
- Europe: 2.32%, computed based on its revenue of RM24.32 million derived from sales to Europe against the semiconductor AMHS industry size for Europe.

The growth of the semiconductor AMHS industry is correlated to the growth of the semiconductor industry as the demand for semiconductor products reflects the market for semiconductor engineering support services, including semiconductor AMHS. As such, the demand for semiconductor AMHS is expected to be driven by the key drivers of the semiconductor industry as elaborated in Section 1 of this IMR Report. In addition to the abovementioned key drivers, the semiconductor AMHS industry is also driven by the need for automation as semiconductor manufacturing companies increasingly seek to automate their production processes to maximise production capacity and enhance throughput in response to increasing demand for E&E products. Moreover, semiconductor AMHS has the capability to efficiently adjust to changes in production processes as semiconductor AMHS operates using software that can be programmed according to production requirements, enabling it to adapt to rapid technological advancements in E&E products.

Competitive landscape overview

The semiconductor AMHS industry is global in nature, with IDMs, semiconductor foundries and OSATs sourcing for semiconductor AMHS solutions globally. In Malaysia, semiconductor AMHS industry players comprise local companies and multinational companies ("MNCs") with presence in Malaysia, with or without locally incorporated entities in Malaysia. In addition to competing with local companies and MNCs with presence in Malaysia, industry players in Malaysia also compete with foreign industry players.

The barriers to entry in the semiconductor AMHS industry are high due to high capital investment required for the setup of production facilities as well as the possession of technical expertise such as electronic, mechanical and software engineering expertise. Industry players compete in terms of functionalities and technical capabilities of solutions offered, pricing, quality and timeliness of delivery, amongst other factors. To remain competitive and sustainable, industry players are required to ensure the availability of sufficient production floor space and skilled personnel, as well as to keep abreast with the latest technologies to offer improved products and services.

Key Industry Players

As Stratus Global Group is a factory automation solutions provider, specialising in cleanroom AMHS solutions, whereby its solutions are primarily catered towards companies operating within the semiconductor industry, the basis of selection of the key industry players in the semiconductor AMHS industry are as follows:

- Companies that offer semiconductor AMHS solutions; and
- Companies that recorded more than RM50.00 million in revenue based on their respective latest available financial year. It is pertinent to note that such revenue may include revenue derived from other businesses that are not related to semiconductor AMHS solutions.

Given the global nature of the semiconductor AMHS industry whereby industry players can provide semiconductor AMHS solutions to customers worldwide and hence compete with other industry players globally, the key industry players selected in this IMR Report are based on global industry players, and are not country-specific. However, the locally incorporated entities in Malaysia of overseas industry players is disclosed where the information is publicly available. Further information on the overseas holding entity is disclosed in the footnotes.

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The key industry players identified based on the above basis of selection are as listed below:

Company name ⁽¹⁾	Location of head office	Examples of semiconductor AMHS solutions offered	Latest available financial year	Total revenue	Total revenue (RM)	Segmental revenue ⁽²⁾	Segmental revenue (RM)	Gross profit/(loss) margin (%)	Profit/(loss) after tax margin (%)
Daifuku Co., Ltd. ⁽³⁾	Japan	Automated storage and retrieval system ("ASRS"), overhead monorail system, zip tower	31 December 2024 ⁽⁴⁾	JPY563.23 billion	16.73 billion ⁽⁵⁾	N/A	N/A	22.15	10.15
Murata Group	Japan	Overhead hoist transport ("OHT"), overhead shuttle, automated guided vehicle ("AGV"), carrier stocker, front opening unified pods ("FOUP") ⁽⁶⁾	31 March 2025	JPY526.08 billion	15.57 billion ⁽⁷⁾	N/A	N/A	33.41	13.71
Murata Machinery Malaysia Sdn Bhd (part of the Murata Group and a subsidiary of Murata Machinery, Ltd. ⁽⁸⁾)	Malaysia		31 March 2025	RM45.15 million	45.15 million	N/A	N/A	10.03	3.23
SFA Engineering Corporation ⁽⁹⁾	South Korea	Stocker, overhead shuttle, conveyor system, lifter and OHT	31 December 2024	KRW2.05 trillion	6.95 billion ⁽¹⁰⁾	N/A	N/A	11.22	(1.57)
Synus Tech Co., Ltd.	South Korea	OHT, conveyor system, lifter, AGV, stocker, local hoist transfer, FOUP in out system	31 December 2024	KRW335.6 4 billion	1.14 billion ⁽¹⁰⁾	N/A	N/A	9.26	N/A
Mirle Automation Corporation ⁽¹¹⁾	Taiwan	Conveyor system, stocker system, lifter and OHT	31 December 2024	NTD7.50 billion	1.07 billion ⁽¹²⁾	NTD3.52 billion	501.54 million	18.09	1.47
Pentamaster Corporation Berhad ⁽¹³⁾	Malaysia	Conveyor system, lifter and AGV	31 December 2024	RM623.02 million	623.02 million	N/A	N/A	28.65	16.67
Stratus Global Group	Malaysia	Conveyor-based AMHS, hybrid AMHS and ASRS	31 March 2025	RM220.28 million	220.28 million	RM220.28 million	220.28 million	53.65	30.04
FA Systems Automation (S) Pte Ltd	Singapore	Conveyor system, lifter and AGV	31 December 2022	SGD17.90 million	57.11 million	N/A	N/A	37.45	21.11

Notes:

- Latest available information as at the date of completion of this IMR Report.
- N/A – Not available.
- The identified key industry players include all industry players that were identified by SMITH ZANDER based on sources available, such as the internet, published documents and industry directories. However, there may be companies that have no online and/or published media presence, or are operating with minimal public advertisement, and hence SMITH ZANDER is unable to state conclusively that the list of industry players is exhaustive.

⁽¹⁾ These companies may also be involved in the provision of products and services other than semiconductor AMHS solutions.

⁽²⁾ Segmental revenue which comprises the provision of semiconductor AMHS solutions is shown where available.

⁽³⁾ Daifuku Co., Ltd. is a company incorporated in Japan and listed on Tokyo Stock Exchange. Daifuku Co., Ltd. and its group of companies are principally involved in the consulting, engineering, design, manufacturing, installation and after-sales services for logistics systems and material handling equipment namely conveying systems, transport systems, storage systems, sorting/picking systems, control systems and material handling tools, as well as electronics or car wash machines.

⁽⁴⁾ The latest available financial year ended covered a period of 9 months from 1 April 2024 to 31 December 2024.

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- ⁽⁵⁾ Exchange rate from JPY to RM was converted based on the average exchange rate for the period from 1 April 2024 to 31 December 2024 at JYP1=0.0297, extracted from published information from BNM.
- ⁽⁶⁾ These solutions are offered by Murata Group as a whole. Murata Machinery Malaysia Sdn Bhd is principally engaged in activities of installation, repair, maintenance and after sales services for industrial machineries and systems for automated storage and retrieval, data management, transportation, storage and logistics and related equipment; and business of procurement and development of industrial machineries, ASRS, data management system, transportation, storage and logistics systems, and related equipment from external sources for installation purposes.
- ⁽⁷⁾ Exchange rate from JPY to RM was converted based on the average annual exchange rate from 1 April 2024 to 31 March 2025 at JYP1=0.0296, extracted from published information from BNM.
- ⁽⁸⁾ Murata Machinery, Ltd., a company incorporated in Japan, is the holding company of Murata Machinery Malaysia Sdn Bhd. Murata Machinery, Ltd. and its group of companies (i.e. Murata Group) are principally involved in the provision of cleanroom factory automation systems, logistics and factory automation systems, machines tools, sheet metal machinery, textile machinery and communication equipment.
- ⁽⁹⁾ SFA Engineering Corporation is a company incorporated in Korea and listed on the Korea Securities Dealers Automated Quotations, a trading board of Korea Exchange. SFA Engineering Corporation and its group of companies are principally involved in the provision of smart factory solutions.
- ⁽¹⁰⁾ Exchange rate from KRW to RM was converted based on the average annual exchange rate from 1 January 2024 to 31 December 2024 at KRW1=0.0034, extracted from published information from BNM.
- ⁽¹¹⁾ Mirle Automation Corporation is a company incorporated in Taiwan and listed on the Taiwan Stock Exchange. Mirle Automation Corporation and its group of companies are principally involved in the provision of intelligent automation systems.
- ⁽¹²⁾ Exchange rate from TWD to RM was converted based on the average annual exchange rate from 1 January 2024 to 31 December 2024 at TWD1=0.1424, extracted from published information from BNM.
- ⁽¹³⁾ Pentamaster Corporation Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad.

Sources: Stratus Global Group, various company websites, Companies Commission of Malaysia, SMITH ZANDER

The semiconductor AMHS industry and the global semiconductor industry face the following key risks:

► **Reliance on the growth of the semiconductor and E&E industries, which are subject to risks relating to the economic, political and/or regulatory environment globally and in Malaysia**

The demand for semiconductor AMHS solutions is dependent on the growth of the semiconductor industry, which can be affected by the demand for E&E products. The performance of the semiconductor and E&E industries can be directly or indirectly impacted by the performance of the general economy and/or political environment globally and in Malaysia. Any adverse development in the economic and/or political environment could materially or adversely affect the business operations and financial performance of industry players in the semiconductor AMHS and semiconductor industries. Such developments include, but not limited to, changes in political leadership, changes in general economic and business conditions, fluctuations in foreign exchange rates and interest rates, acts of terrorism, riots, expropriation, nationalisation, unemployment trends, imposition of international trade sanctions, deterioration of international bilateral relationships, as well as changes in fiscal and monetary policies of the respective countries such as inflation, deflation, methods of taxation, tax policies (including sale and service tax, excise duties and tariffs) and exchange control measures.

For example, a growing economy leads to an increase in disposable income and purchasing power of consumers, as well as spending budgets of businesses, resulting in the rise in demand for E&E products which drives the demand for semiconductors. In contrast, a downturn in the economy could reduce purchasing power and spending, leading to a decline in demand for semiconductors. Any economic crisis that affects the financial well-being of consumers and businesses may cause volatility and uncertainty for the E&E and semiconductor industries. This, in turn, affects the semiconductor AMHS industry which could adversely impact the performance of industry players.

Industry players could also be affected by new laws, regulations and guidelines that are introduced to govern their business activities, whether in general or specific to the semiconductor industry and/or semiconductor AMHS industry. For instance, in April 2025, the United States of America

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("US") imposed a baseline tariff of 10.00% on most imports, with higher reciprocal tariffs for certain countries and products. Amidst ongoing negotiations with other countries and investigations by the Trump administration on the impact of certain imports on US national security, there have been frequent amendments to the implementation of the reciprocal tariffs, with possibilities for more amendments in the future. For example, effective 8 August 2025, the US reverted from a 10.00% baseline tariff to a reciprocal tariff of 19.00% on most imports from Malaysia. The implementation of the reciprocal tariffs may affect import demand for semiconductor AMHS from the US, which may affect Malaysia's exports of semiconductor AMHS to the US. This may have adverse impact to the performance of the semiconductor AMHS industry in Malaysia.

Furthermore, the Trump administration also announced its intention to impose a 100% tariff on semiconductor chips from countries without US-based manufacturing. This could negatively affect import demand for semiconductor chips from the US and in turn, lower manufacturing activities for semiconductor chips globally. Subsequently, the demand for semiconductor AMHS for semiconductor manufacturing may be adversely impacted.

► **The semiconductor AMHS industry is reliant on skilled personnel**

The semiconductor and E&E industries constantly face rapid advancements in technology, therefore having skilled talent is important for industry players in the semiconductor AMHS segment. Industry players have to ensure their workforce possesses suitable and relevant skills and competencies in the production of systems, equipment and/or tools. This enables them to remain competitive in the market, prevent the obsolescence of their solutions and ensure compatibility of their solutions with newer production processes and requirements. Industry players must keep abreast with technology advancements, so that they are able to offer improved products and services timely to cater to their customers' requirements in the fast-changing semiconductor and E&E industries. In addition, employers have to continuously attract and retain suitably equipped talents such as providing conducive work environments, attractive employee benefits and remunerations, technical training as well as clear and transparent career development paths. Failure to hire and/or retain talent with suitable skills and capabilities may adversely affect an industry player's ability to secure new customers and/or sustain revenue growth, which could lead to challenges in improving their financial performance.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

8.1 Promoters and substantial shareholders

8.1.1 Shareholdings in our Company

The table below sets out the direct and indirect shareholdings of our Promoters and substantial shareholders in our Company before and after the Pre-IPO Restructuring and after our IPO:-

Name Company /	Nationality / Place of incorporation	Before the Pre-IPO Restructuring				After the Pre-IPO Restructuring / As at the LPD				After our IPO			
		Direct		Indirect		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(4)%	No. of Shares	(4)%
Ryo Narisawa	Japanese	20,000	100.00	-	-	36,240,600	4.06	(3)520,000,000	58.18	(5)38,240,600	3.06	(3)520,000,000	41.60
Jiyuan	Malaysia	-	-	-	-	520,000,000	58.18	-	-	520,000,000	41.60	-	-
Beh Lai Lien	Malaysian	-	-	-	-	114,856,800	12.85	(3)520,000,000	58.18	114,856,800	9.19	(3)(6)521,500,000	41.72
Tan Chan Chin	Malaysian	-	-	-	-	64,356,600	7.20	-	-	(5)66,106,600	5.29	-	-

Notes:-

- (1) Based on our issued share capital comprising 20,000 Shares before the Pre-IPO Restructuring.
- (2) Based on our issued share capital comprising 893,750,000 Shares after the Pre-IPO Restructuring but before our IPO.
- (3) Deemed interested by virtue of their direct shareholdings in Jiyuan pursuant to Section 8(4) of the Act.
- (4) Based on our enlarged issued share capital comprising 1,250,000,000 Shares after our IPO.
- (5) Assuming they subscribe for their entitlement in full under the Pink Form Allocation.
- (6) Deemed interested by virtue of his daughter's shareholdings in our Company pursuant to Section 59(11)(c) of the Act, assuming she subscribes for her entitlement in full under the Pink Form Allocation. He does not exercise any control, influence or involvement over his daughter's investment decisions. Accordingly, the reference to her shareholdings is made solely for disclosure purposes pursuant to Section 59(11)(c) of the Act and does not constitute any actual indirect interest in his shares.

Our Promoters and substantial shareholders do not have different voting rights from any other shareholders of our Group.

Save for our Promoters and substantial shareholders, we are not aware of any other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company. As at the LPD, there is no arrangement between our Company, our Promoters and our substantial shareholders, with any third party of which may result in a change in control of our Company.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

8.1.2 Changes in our Promoters' and substantial shareholders' shareholdings since incorporation

Save for the issuance of Shares to our Promoters and/or substantial shareholders pursuant to the Pre-IPO Restructuring as detailed in **Section 5.4** of this Prospectus, there are no other changes in the direct and indirect shareholdings of our Promoters and substantial shareholders in our Company since incorporation up to the LPD.

8.1.3 Profiles of our Promoters and substantial shareholders

The profiles of our Promoters and substantial shareholders are as follows:-

(i) **Ryo Narisawa**

Promoter, substantial shareholder and Executive Director / CEO

Ryo Narisawa, a Japanese aged 72 years, is our Promoter, substantial shareholder and Executive Director / CEO. He was appointed to our Board on 7 May 2025 and is responsible for the overall corporate management, strategic planning, sales and marketing strategy as well as product development initiatives of our Group.

In March 1977, he received a Bachelor of Engineering from the University of Tokyo. Subsequently in April 1977, he began his career when he joined Honda Motor Corporation as Research Engineer, where he was involved in the R&D of automobile engines. He left the company in July 1981.

In August 1981, he joined Canadair Ltd (now known as Bombardier Inc) as Senior Staff Engineer, where he was involved in the R&D of turbine engines for aircraft manufacturing. In March 1984, he left the company and joined Bell Helicopter Textron as Senior Staff Engineer, where he was involved in the performance analysis and testing of turbine engines for helicopter manufacturing.

In July 1987, he returned to Canadair Ltd (now known as Bombardier Inc) as Senior Staff Engineer, where he was involved in the performance analysis of turbine engines for aircraft manufacturing. In March 1989, he left the company and joined Garrett Turbine Engine Company as Senior Staff Engineer, where he was involved in the testing and performance analysis of aircraft turbine engines. He left the company in August 1989.

In September 1989, he joined Intelmatec Corporation as Assistant Engineering Manager, where he was involved in the product development of automation machinery for high-tech industries. In March 1991, he left the company and founded YAC / HYAC Corporation (USA), a subsidiary of Y.A.C. Holdings Co Ltd (listed on the Tokyo Stock Exchange specialising in automation machinery). The company was based in Silicon Valley and was involved in the production and development of automation machinery for high-tech industries. In this role, he was responsible for overall corporate management and strategic direction, sales and marketing, marketing strategy and execution, production development and innovation, business development as well as client relationship management. He left the company in September 1998.

In September 1998, he founded Stratus Automation Corporation (initially known as Stratus Technologies Corporation) in the USA as President, where he was involved in the overall corporate management, strategic planning, sales and marketing strategy as well as product development initiatives. Subsequently in April 2016, following the expansion of our operations into Southeast Asian markets, his role was formalised as Executive Director / CEO of our Group, a position he holds to-date.

He does not hold any directorships in other public companies as at the LPD.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(ii) Jiyuan

Promoter and substantial shareholder

Jiyuan was incorporated on 2 January 2019 in Malaysia under the Act as a private limited company under its present name. The principal activity of Jiyuan is investment holding with the aim to solely house and hold our Promoters' (i.e. Ryo Narisawa and Beh Lai Lien) Shares pursuant to our IPO.

The issued share capital of Jiyuan is RM1,002 comprising 1,002 ordinary shares as at the LPD.

The directors and shareholders of Jiyuan together with their respective shareholdings as at the LPD are as follows:-

	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Ryo Narisawa	Japanese	801	79.94	-	-
Beh Lai Lien	Malaysian	201	20.06	-	-

(iii) Beh Lai Lien

Promoter and substantial shareholder

Beh Lai Lien, a Malaysian aged 70 years, is our Promoter and substantial shareholder.

In November 1979, he received a Diploma in Mechanical Engineering from Wellington Polytechnic (now known as Massey University), New Zealand.

In December 1977, he began his career when he joined Giles and Elliot (NZ) Pte Ltd as Trainee Design Engineer, where he was involved in design of components and wiring layouts for switchboards. He left the company as a Design Engineer in November 1980.

In December 1980, he joined Chloride Batteries (NZ) Pte Ltd as Equipment Design Engineer, where he was involved in design of tools and equipment for battery manufacturing. He left the company in October 1983.

In February 1984, he joined Mattel Sdn Bhd as Equipment Engineer, where he was involved in the design of machines for toy manufacturing. He left the company in August 1984.

In September 1984, he joined Intel (M) Sdn Bhd as Automation Engineer, where he was involved in design of automation systems for semiconductor manufacturing. He left the company in August 1988.

In August 1988, he incorporated GOP Sdn Bhd and was appointed Director, where he was involved in managing the design of automation systems for manufacturing. He left the company in December 1990.

In January 1991, he incorporated AT Engineering Sdn Bhd (subsequently restructured as part of AT Systematization Berhad (now known as Erdasan Group Berhad), a public company listed on the ACE Market of Bursa Securities) where he was involved in managing the design of automation systems for manufacturing. His last held position at AT Systematization Berhad was Chairman / Managing Director. He left the company in June 2012 when he retired.

In October 2016, he became a shareholder in SASB and came out of retirement when he was appointed as General Manager of SASB, where he was responsible for overseeing SASB's factory operations. In April 2024, he subsequently ceased to hold any executive or management function upon his redesignation as the Non-Independent Non-Executive Director of SASB, a position he holds to-date.

He does not hold any directorships in other companies as at the LPD.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(iv) Tan Chan Chin

Promoter, substantial shareholder and Executive Director / COO

Tan Chan Chin, a Malaysian aged 53 years, is our Promoter, substantial shareholder and Executive Director / COO. He is responsible for managing our engineering department as well as our back-end operations.

In May 1996, he received a Bachelor of Science in Mechanical Engineering from the University of Kansas.

Subsequently, he began his career in September 1996 when he joined HYAC Corporation (USA) as Junior Mechanical Engineer, where he was involved in designing automation machines. He left the company in September 1998.

In September 1998, he joined our Group as Engineer Manager, where he was involved in managing our mechanical engineering department. In March 2016, he was promoted to Director of our Group, where his responsibilities expanded to include leading our engineering department as well as overseeing the installation of AMHS solutions at customers' sites.

In April 2023, he was promoted to COO of our Group, a position he holds to-date.

He does not hold any directorships in other companies as at the LPD.

8.1.4 Payments made to our Promoters and substantial shareholders

Save for the dividends to be paid or proposed to be paid, if any, to our Promoters and substantial shareholders and the aggregate remuneration and benefits paid or proposed to be paid to our Promoters and/or substantial shareholders for services rendered to our Group in all capacities for the FYE 2025 and FYE 2026 as set out in **Section 8.5** of this Prospectus, there are no other amount or benefits paid or intended to be paid or given to our Promoters and/or substantial shareholders within the 2 years preceding the date of this Prospectus.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**8.2 Directors****8.2.1 Shareholdings in our Company**

The table below sets out the direct and indirect shareholdings of each of our Directors in our Company as at the LPD, before and after our IPO, assuming our Directors will subscribe for their respective entitlements in full under the Pink Form Allocation as set out in **Section 3.2.1(ii)** of this Prospectus:-

Name	Designation	Nationality	Before our IPO / As at the LPD				After our IPO			
			Direct		Indirect		Direct		Indirect	
			No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Fazrin Azwar Bin Md. Nor	Independent Non-Executive Chairman	Malaysian	-	-	-	-	300,000	0.02	-	-
Ryo Narisawa	Executive Director / CEO	Japanese	36,240,600	4.06	⁽³⁾ 520,000,000	58.18	38,240,600	3.06	⁽³⁾ 520,000,000	41.60
Tan Chan Chin	Executive Director / COO	Malaysian	64,356,600	7.20	-	-	66,106,600	5.29	-	-
Teh Su-Ching	Independent Non-Executive Director	Malaysian	-	-	-	-	250,000	0.02	-	-
Samivel A/L Krishnamoorthy	Independent Non-Executive Director	Malaysian	-	-	-	-	250,000	0.02	-	-
Tan Ming-li	Independent Non-Executive Director	Malaysian	-	-	-	-	250,000	0.02	-	-

Notes:-

(1) Based on our issued share capital comprising 893,750,000 Shares after the Pre-IPO Restructuring but before our IPO.

(2) Based on our enlarged issued share capital comprising 1,250,000,000 Shares after our IPO.

(3) Deemed interested by virtue of his direct shareholdings in Jiyuan pursuant to Section 8(4) of the Act.

Notwithstanding the Pink Form Allocation reserved for our Directors, none of our Directors has the intention to apply and subscribe for the IPO Shares under the public balloting portion as set out in **Section 3.2.1(i)** of this Prospectus.

None of our Directors represents any corporate shareholder on our Board.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

8.2.2 Profile of our Directors

The profile of our Directors are as follows:-

(i) Fazrin Azwar Bin Md. Nor
Independent Non-Executive Chairman

Fazrin Azwar Bin Md. Nor, a Malaysian aged 59 years, is our Independent Non-Executive Chairman. He was appointed to our Board on 26 November 2025.

In July 1991, he received a Bachelor of Laws with Honours from Universiti Malaya. He has been an Advocate and Solicitor of the High Court of Malaya and member of the Malaysian Bar since April 1992. Further, he has been a Chartered (Audit Committee) Member of The Institute of Internal Auditors Malaysia since 2010 as well as a Fellow of the Institute of Corporate Directors Malaysia since August 2024.

In June 1991, he began his career when he joined Adnan Sundra & Low as a Pupil, where he undertook his chambering to qualify for his call to the Malaysian Bar. Following his call to the Malaysian Bar in April 1992, he continued to practice as a Legal Assistant at the firm. In this role, he was involved in the Litigation Department as well as Corporate Department. He left the firm in December 1998.

In 1997, he incorporated several private companies under the tradename "Kuchinta", which were principally involved in automobile dealership, insurance agency and ancillary business ("**Kuchinta Companies**"). Kuchinta Companies (save for Kuchinta Holdings Sdn Bhd) were gradually dissolved over the years, commencing in 1999. The majority of Kuchinta Companies (save for Kuchinta Holdings Sdn Bhd) ceased business in 2007, following which he gradually resigned as Director of the companies.

In January 1999, he co-founded Azwar & Chen (now known as Michael Chen & Co) as a Managing Partner. He was responsible for the provision of legal services for various fields of law, in particular corporate and commercial law as well as overseeing administrative, finance and marketing activities. He left the firm in March 2005.

In April 2005, he co-founded Rashidah Muzafar & Azwar (now known as Azwar & Associates) as a Managing Partner. He was responsible for the provision of legal services for various fields of law as well as overseeing administrative, finance and marketing activities. He left the firm in March 2025.

In May 2023, he joined Penjana Kapital Sdn Bhd (now known as Jelawang Capital Sdn Bhd) as Advisor-in-Residence, where he was involved in providing strategic direction and mentorship for investees. He left the company in May 2024.

As at the LPD, he serves as the Chairman and Independent Non-Executive Director of Benalec Holdings Berhad (listed on the Main Market), Independent Non-Executive Director of Dynafront Holdings Berhad (listed on the LEAP Market of Bursa Securities) and Independent Non-Executive Chairman of AMS Advanced Material Berhad (seeking listing on the ACE Market of Bursa Securities). Please refer to **Section 8.2.3(i)** of this Prospectus for further details on his directorships outside of our Group.

(ii) Ryo Narisawa
Promoter, substantial shareholder and Executive Director / CEO

Please refer to **Section 8.1.3(i)** of this Prospectus for his profile.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

- (iii) **Tan Chan Chin**
Promoter, substantial shareholder and Executive Director / COO

Please refer to **Section 8.1.3(iv)** of this Prospectus for his profile.

- (iv) **Teh Su-Ching**
Independent Non-Executive Director

Teh Su-Ching, a Malaysian aged 51 years, is our Independent Non-Executive Director. She was appointed to our Board on 26 November 2025.

In June 1993, she completed the Cambridge International Education A Levels at Tunku Abdul Rahman College Kuala Lumpur. She was admitted as an Associate of the ACCA in July 1999 and has been a Fellow of the ACCA since July 2004. Further, she has been a Registered Accountant of the MIA since September 2000. In July 2021, she was admitted as an Associate of The Institute of Chartered Accountants in England and Wales. She was appointed as a member of the Finance Committee as well as Audit Committee for The Incorporated Society of Planters for the terms 2021 to 2023 and 2023 to 2025. She was also certified as a Member as well as Fellow of the Institute of Leadership in June 2024 and February 2025 respectively.

In January 1996, she began her career when she joined Horwath Mok & Poon (now known as Crowe Malaysia PLT) as Audit Assistant, where she was involved in conducting annual statutory audits. In October 1997, she was promoted to Senior Assistant. In October 1998, she was promoted to Audit Senior, where her responsibilities expanded to include managing a team of auditors. She left the company in March 2000.

In April 2000, she joined Commerce International Merchant Bankers (now known as CIMB Investment Bank Berhad) as Executive in the Corporate Finance Department, where she was involved in drafting of prospectuses and circulars for initial public offering exercises. She left the company in November 2000.

In December 2000, she rejoined Horwath Mok & Poon (now known as Crowe Malaysia PLT) as Audit Senior. In October 2007, she was promoted to Corporate Advisory Principal, where she was responsible for financial due diligence and valuations as well as managing a team of executives. She left the company in July 2010.

In August 2010, she joined Tonik Asia Group Sdn Bhd as Chief Financial Officer, where she was responsible for overseeing the financial management of a group of healthcare and chiropractic clinics. She left the company in April 2014.

In May 2014, she joined Petal Tree Sdn Bhd as Chief Financial Officer where she was involved in management consultancy for private companies and educational institutions. In January 2016, subsequent to a corporate restructuring whereby the workforce of Petal Tree Sdn Bhd was absorbed by Tradewinds Plantation Management Sdn Bhd, she was appointed as Head of Business Planning at Tradewinds Plantation Management Sdn Bhd. In this role, she was responsible for assessing new businesses for the group of companies. In January 2017, she was promoted to General Manager of Finance, where her responsibilities expanded to include managing the company's finance processes and systems. She left the company in November 2018.

In November 2018, she joined Capers Management Sdn Bhd, a company involved in the provision of healthcare services including home nursing services, as Director. She left the company in October 2022.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

In July 2020, The Clarissa Project PLT (a company she co-founded in October 2014) was appointed as an outsourced financial advisory support by Signature Snack Sdn Bhd and she was responsible for reviewing financial reports, supporting investor relations and overseeing compliance matters. The appointment of The Clarissa Project PLT as an outsourced financial advisory support by Signature Snack Sdn Bhd ceased upon the dissolution of The Clarissa Project PLT in April 2025.

In August 2021, she joined 1337 Ventures Sdn Bhd as Chief Financial Officer, where she was responsible for conducting financial review and analysis of the company's investments and fundraising opportunities. She left the company in December 2024.

In January 2023, she joined Strat369 Consulting Sdn Bhd as a Consultant, a position she holds to-date. In this role, she is involved in advising on financial reviews for the clients of the company.

In January 2025, she rejoined Signature Snack Sdn Bhd as Chief Financial Officer, a position she holds to-date. In this role, she is responsible for overseeing the financial management of the company.

As at the LPD, she serves as the Independent Non-Executive Director of Notion VTEC Berhad, Pimpinan Ehsan Berhad and Sern Kou Resources Berhad (all of which are listed on the Main Market) and Independent Non-Executive Director of Foodie Media Berhad (listed on the ACE Market of Bursa Securities). Please refer to **Section 8.2.3(iv)** of this Prospectus for further details on her directorships outside of our Group.

(v) **Samivel A/L Krishnamoorthy** *Independent Non-Executive Director*

Samivel A/L Krishnamoorthy, a Malaysian aged 43 years, is our Independent Non-Executive Director. He was appointed to our Board on 26 November 2025.

In August 2004, he received a Bachelor of Science (Computer) from Universiti Teknologi Malaysia. Further, he has been a member of SEMI.ORG as well as the International Society of Automation since 2005 and 2025 respectively.

In May 2004, he began his career when he joined B. Braun Medical Industries Sdn Bhd as SAP Executive, where he was responsible for SAP middleware engineering. He left the company in October 2004.

In February 2005, he joined SilTerra Malaysia Sdn Bhd as an Engineer, where he was involved in equipment integration activities for foundry services in the IT department and later the CIM/Automation Department. He left the company in August 2007.

He joined Quest Adaptations Sdn Bhd in August 2007, where he was a consultant in the transfer and start up of Qimonda memory module house project in Senai. He left the company in June 2009 post completing the project.

In July 2009, he joined Osram Opto Semiconductors (Malaysia) Sdn Bhd as Senior Engineer, where he was involved in design, development and management of a fully integrated IT and operational technology setup. In August 2012, he was appointed as a Key Expert of Front End Manufacturing Technologies Equipment Engineering. In the following year, he was appointed as Senior Key Expert of Front End Manufacturing Technologies. His last held position was Senior Director of IT & Operational Technology before he left the company in April 2025.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

In June 2025, he joined Black Semiconductor GmbH, a European deep-tech company, as Senior Director of Fab Automation & Integration, to scale Black Semiconductor's graphene-based chip connection technology in a fully automated 300mm foundry. He holds this position to-date.

He does not hold any directorships in other companies as at the LPD.

(vi) Tan Ming-li
Independent Non-Executive Director

Tan Ming-li, a Malaysian aged 56 years, is our Independent Non-Executive Director. She was appointed to our Board on 26 November 2025.

In March 1993, she received a double degree comprising a Bachelor of Laws and Bachelor of Science from the University of Melbourne. She has been an Advocate and Solicitor of the High Court of Malaya and a member of the Malaysian Bar since May 1994.

In 1994, she began her career when she joined Allen & Gledhill (now known as Lee Hishamuddin Allen & Gledhill) as a Legal Assistant, where she was involved in corporate and commercial litigation as well as intellectual property. She left the firm in 1997.

In April 1997, she joined Cheang & Ariff as a Legal Assistant, where she was involved in practising in corporate and securities law. In January 2000, she was appointed as Partner. In June 2018, following the merger of Cheang & Ariff and Chooi & Company, she was appointed as Partner in Chooi & Company + Cheang & Ariff, where she continued to be involved in practising corporate and securities law. In April 2023, following the dissolution of Chooi & Company + Cheang & Ariff, she resumed her role as Partner in Cheang & Ariff, a position she holds to-date.

As at the LPD, she serves as the Independent Non-Executive Director of OM Holdings Limited (listed on the Australian Securities Exchange and secondary listed on the Main Market). Please refer to **Section 8.2.3(v)** of this Prospectus for further details on her directorships outside of our Group.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

8.2.3 Involvements of our Directors in other businesses and corporations outside our Group

Save as disclosed below, none of our Directors has any directorships or principal business activities performed outside our Group for the past 5 years prior to the LPD:-

(i) Fazrin Azwar Bin Md. Nor

Company	Principal business activities	Nature of relationship	Date of appointment as director / partner	Date of cessation as director / partner
Present involvements:-				
ALPS Naigai Logistics (Malaysia) Sdn Bhd	Providing transportation and freight forwarding services and trading of raw materials for automatic components	<ul style="list-style-type: none"> Director Shareholder (direct interest: 23.5%) 	28 December 2022	-
AMS Advanced Material Berhad (seeking listing on the ACE Market of Bursa Securities)	Investment holding company with its subsidiaries involved in supplying aluminium sheets, aluminium plates, aluminium rods & bars, aluminium profile extrusion and copper tubes & sheets	<ul style="list-style-type: none"> Director 	2 May 2025	-
Benalec Holdings Berhad (listed on the Main Market)	Investment holding company with its subsidiaries are principally engaged in marine construction	<ul style="list-style-type: none"> Independent Non-Executive Chairman 	27 February 2019	-
Dynafront Holdings Berhad (listed on the LEAP Market of Bursa Securities)	Investment holding company with its subsidiaries involved in life insurance applications, development and deployment of complete and comprehensive insurance software solutions ranging from front-end sales to back-end administrative systems	<ul style="list-style-type: none"> Independent Non-Executive Director 	16 March 2022	-
Kuchinta Holdings Sdn Bhd	Investment holding company holding shares and other business support services activities	<ul style="list-style-type: none"> Director Shareholder (direct interest: 50.0%) 	4 January 1995	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Company	Principal business activities	Nature of relationship	Date of appointment as director / partner	Date of cessation as director / partner
Times Offset (Malaysia) Sdn Bhd	Commercial printing and products packaging printing, retail and distribution of commercial printing, packaging products, green sustainability products through physical and e-commerce platform	• Director	5 January 2007	-
Yayasan PEKEMA	To receive and administer funds for education, scientific and charitable purpose for the benefit of the poor and needy irrespective of their race, creed or religion	• Director	15 April 2025	-
Past involvements:-				
Arch Angel Equity Group Sdn Bhd (dissolved on 18 November 2022)	Investment company, business consultancy and marketing consultancy	• Shareholder (direct interest: 20.0%)	-	-
Azwar & Associates	Provision of legal services	• Founding Equity Partner	1 February 2012	14 March 2025
Creos (M) Sdn Bhd	Dealing in business of car accessories, production and management services, production and provision of media content, total production project management and image consultancy and styling consultancy for the advertising, media, events industries in areas and consultancy services	• Director	22 May 2014	6 February 2023
Mercury Industries Bhd	Investment holding company with its subsidiaries involved in civil and building construction works, marketing agent and general trader of building materials, undertakes the development of commercial and residential property	• Non-Independent Non-Executive Director • Shareholder (direct interest: negligible)	19 July 2006	28 November 2025

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Company	Principal business activities	Nature of relationship	Date of appointment as director / partner	Date of cessation as director / partner
OMS Group Sdn Bhd	Contractor for the laying of underwater cables	• Director	3 July 2019	31 December 2022
Poh Kong Holdings Berhad	Investment holding company, provision of management services with its subsidiaries involved in distributing and supplying of jewellery, precious stones, semi-precious stones and gold ornaments, franchise management services, property investment, overseas investment holding and trading of bullion	• Independent Non-Executive Director	13 January 2004	29 May 2023
Smart Meters Technologies (M) Sdn Bhd	Manufacture of all kinds of meters; infrastructure and electrical services	• Director • Shareholder (direct interest: 21.0%)	10 May 2019	16 August 2021
Tong Herr Resources Berhad	Investment holding company with its subsidiaries involved in manufacture and sale of stainless steel fasteners including nuts, bolts, screws and all other threaded items, extrusion and fabrication of aluminium products, trading of aluminium extrusion products and parts	• Independent Non-Executive Director	20 July 1999	22 May 2023

(ii) Ryo Narisawa

Company	Principal business activities	Nature of relationship	Date of appointment as director	Date of cessation as director
Present involvements:-				
Jiyuan	Investment holding company holding shares	• Director • Shareholder (direct interest: 79.9%)	9 March 2023	-
Nutragen Incorporated	Health supplement design and distribution	• Director • Shareholder (direct interest: 57.7%)	3 September 2012	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)
(iii) Tan Chan Chin

Company	Principal business activities	Nature of relationship	Date of appointment as director	Date of cessation as director
Present involvement:-				
Pearl Sanctuary Sdn Bhd	Plantation and trading of fruits, property investment	• Shareholder (direct interest: 8.0%)	-	-

(iv) Teh Su-Ching

Company	Principal business activities	Nature of relationship	Date of appointment as director / partner	Date of cessation as director
Present involvements:-				
Foodie Media Berhad (listed on the ACE Market of Bursa Securities)	Investment holding company with its subsidiaries involved in digital media publishing, key opinion leaders (KOL) marketing, short-film drama marketing, affiliate commerce and campaign management services	• Independent Non-Executive Director	7 April 2025	-
Notion VTEC Berhad (listed on the Main Market)	Investment holding company with its subsidiaries involved in among others, the design and manufacture of high precision components, production, sales and marketing of personal protective equipment and medical related components, devices and products	• Independent Non-Executive Director • Shareholder (direct interest: negligible)	2 August 2021	-
Pimpinan Ehsan Berhad (listed on the Main Market)	Investment holding company and currently it is not holding shares in any company and has no business and operations	• Independent Non-Executive Director	31 December 2024	-
Sern Kou Resources Berhad (listed on the Main Market)	Investment holding with its subsidiaries involved in the manufacturing, processing and trading of all kinds of timber, wood and related products, logging, processing and trading of rubberwood and timber	• Independent Non-Executive Director	25 November 2021	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Company	Principal business activities	Nature of relationship	Date of appointment as director / partner	Date of cessation as director
Past involvements:-				
Capers Management Sdn Bhd	To carry out the business related to administrative health care services and trading health products and devices; to carry out the business related to management or residential and day care centres, nursing and retirement homes; to carry out human resources services and foreign workforce solutions	<ul style="list-style-type: none"> Director 	28 November 2018	7 October 2022
Eancee Enterprise (business expired on 15 February 2021)	Retail sale of food products	<ul style="list-style-type: none"> Sole proprietor 	-	-
Option Circle Sdn Bhd	Investment holding and providing healthcare services and related products	<ul style="list-style-type: none"> Director 	3 June 2020	7 October 2022
Scoop Asia Sdn Bhd (dissolved on 10 October 2025)	Web portals; internet access providers by the operator of the wireless infrastructure; other telecommunications activities not elsewhere classified	<ul style="list-style-type: none"> Director 	28 January 2019	7 October 2022
The Art Box PLT	Creative and entertainment activities	<ul style="list-style-type: none"> Partner Compliance officer 	5 November 2019	9 May 2023
The Clarissa Project PLT (dissolved on 7 April 2025)	Business management consultancy services; financial consultancy services and other management consultancy services	<ul style="list-style-type: none"> Partner 	16 October 2014	7 April 2025
Trufert Sdn Bhd	To carry out trading, licensing and distributor for all types of fertilizer and agriculture products; to carry on business and activities and act as management consultant; to carry on business support service activities	<ul style="list-style-type: none"> Director 	25 February 2019	7 October 2022

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)
(v) Tan Ming-li

Company	Principal business activities	Nature of relationship	Date of appointment as director	Date of cessation as director
Present involvements:-				
CapitaLand Malaysia REIT Management Sdn Bhd	Engaged in managing and administering CapitaLand Malaysia Mall Trust ("CMMT") and undertakes primary management activities in relation to CMMT, including overall strategy, new acquisition and disposal analysis and other activities as provided by the trust deed of CMMT	• Independent Non-Executive Director	1 June 2021	-
OM Holdings Limited (listed on the Australian Securities Exchange and secondary listed on the Main Market)	Investment holding company with its subsidiaries engaged in the business of trading raw ores, smelting and marketing of processed ferroalloys	• Independent Non-Executive Director	10 May 2021	-
Tokio Marine Life Insurance Malaysia Bhd	Underwriting of all classes of life insurance business, including investment-linked business	• Independent Non-Executive Director	1 July 2024	-
Past involvements:-				
BP Plastic Holding Bhd	Investment holding company with its subsidiaries engaged in manufacturing of plastic products and trading of plastic products	• Senior Independent Non-Executive Director	29 May 2013	29 May 2025
Tune Insurance Malaysia Berhad	Underwriting of all classes of general insurance business	<ul style="list-style-type: none"> • Independent Non-Executive Director (2014 to 2023) • Non-Independent Non-Executive Director (2023 to 2024) 	1 April 2014	1 April 2024

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Company	Principal business activities	Nature of relationship	Date of appointment as director	Date of cessation as director
Tune Protect Group Berhad	Investment holding company with its subsidiaries engaged in underwriting of general reinsurance and retakaful window, underwriting of general insurance business, consultant, facilitator and provider of digital and technology services and solution, consultancy and facilitation services, provision of affordable pure life and health protection for the unserved and underserved market, investment in fixed income securities and money market placements	<ul style="list-style-type: none"> Independent Non-Executive Director (2014 to 2023) Non-Independent Non-Executive Director (2023 to 2024) 	1 April 2014	1 April 2024

The involvements of our Directors as disclosed above exclude shares in public listed companies held by our Directors as minority shareholders (less than 5.0% of the total number of issued shares of a public listed company) in which they do not hold any directorship in these public listed companies, and the shares held are only for trading and personal investment purposes.

The involvement of Ryo Narisawa, our Executive Director / CEO, mentioned above in other principal business activities outside of our Group as set out in **Section 8.2.3(ii)** of this Prospectus will not affect his commitment and responsibilities to our Group as our Executive Director / CEO given that his involvement in the abovementioned companies are minimal in nature as these companies are either investment holding entity or he does not act in any executive role or capacity. In addition, the involvement of Tan Chan Chin, our Executive Director / COO, in a company set out in **Section 8.2.3(iii)** of this Prospectus is limited, whereby he is not a major shareholder and does not hold any executive roles. Hence, our Board is of the view that all such involvement would not affect their contribution and performance in our Group.

Further, the involvement of our Non-Executive Directors in other principal business activities outside our Group will not affect their commitment and responsibilities to our Group given that:-

- their roles are substantially in the capacity as Independent Non-Executive Directors; and
- they are not involved in the day-to-day operations of the respective companies.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

8.3 Board practice

8.3.1 Directorship

Our Board acknowledges and takes cognisance of the MCCG which contains best practices and guidance for listed companies to improve upon or to enhance their corporate governance as it forms an integral part of their business operations and culture.

Our Board believes that our current Board composition provides an appropriate balance in terms of skills, knowledge and experience to promote the interest of all shareholders and to govern our Group effectively. Our Company has adopted the recommendations under the MCCG that at least half of the Board comprises Independent Non-Executive Directors, our chairperson is not a member of our Audit Committee, Remuneration Committee, Nomination Committee or Sustainability and Risk Management Committee, and to have at least 30% of the Directors on our Board are women.

In accordance with our Constitution, our Directors shall have the power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to our existing Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with our Constitution which is 12 Directors.

Any person appointed as Director, either to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the next AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Our Board has adopted the following responsibilities for effective discharge of its functions:-

- (i) to provide leadership and oversee the overall conduct of our Group's businesses to ensure that our businesses are being properly managed;
- (ii) to review and adopt strategic plans for our Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
- (iii) to review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard our Group's reputation, employees and assets and to ensure compliance with applicable laws and regulations;
- (iv) to ensure that our Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the MCCG;
- (v) to review and approve our annual business plans, financial statements and annual reports;
- (vi) to monitor the relationship between our Group and our management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for our Group; and
- (vii) to appoint our Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees and to review the reports prepared by our Board committees and deliberate on the recommendations thereon.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

As at the LPD, the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in office are as follows:-

Name	Date of appointment as Director	Date of expiration of the current term of office ⁽¹⁾	Approximate no. of years in office
Fazrin Azwar Bin Md. Nor	26 November 2025	Subject to retirement at AGM in year 2026	< 1 year
Ryo Narisawa	7 May 2025	Subject to retirement at AGM in year 2026	< 1 year
Tan Chan Chin	7 May 2025	Subject to retirement at AGM in year 2026	< 1 year
Teh Su-Ching	26 November 2025	Subject to retirement at AGM in year 2026	< 1 year
Samivel A/L Krishnamoorthy	26 November 2025	Subject to retirement at AGM in year 2026	< 1 year
Tan Ming-li	26 November 2025	Subject to retirement at AGM in year 2026	< 1 year

Note:-

- (1) Pursuant to our Constitution, an election of the Directors shall take place each year at the AGM of our Company where 1/3 of the Directors for the time being or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office and be eligible for re-election provided always that all Directors shall retire from office at least once in every 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he/she retires.

In addition, the Directors to retire in each year shall be those who have been the longest in office since their appointment or last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

8.3.2 Audit Committee

Our Audit Committee was established by our Board on 26 November 2025. The composition of our Audit Committee is set out below:-

Name	Designation	Directorship
Teh Su-Ching	Chairperson	Independent Non-Executive Director
Samivel A/L Krishnamoorthy	Member	Independent Non-Executive Director
Tan Ming-li	Member	Independent Non-Executive Director

The terms of reference of our Audit Committee, amongst others, include the following:-

- (i) to ensure openness, integrity and accountability in our Group's activities so as to safeguard the rights and interests of our shareholders;
- (ii) to review and approve our quarterly and annual financial statements for recommendation to our Board, focusing in particular on any changes in or implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from the audit, going concern assumption and compliance with accounting standards and other regulatory or legal requirements;
- (iii) to provide assistance to our Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices;

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

- (iv) to improve our Group's business efficiency, the quality of accounting and audit functions so as to strengthen the public's confidence in our reported results;
- (v) to maintain a direct line of communication between our Board and the external and internal auditors;
- (vi) to enhance the independence of our external and internal auditors;
- (vii) to evaluate the quality of the audits performed by our external and internal auditors;
- (viii) to assess the suitability, objectivity and independence of our external auditors, including obtaining written assurance from external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements;
- (ix) to create a climate of discipline and control, this will reduce the opportunity for fraud;
- (x) to monitor and review matters relating to related party transactions entered into by our Group;
- (xi) to review conflict of interest situation that arose, persist or may arise within the Group and the measures taken to resolve, eliminate, or mitigate such conflicts;
- (xii) to recommend to our Board the nomination and re-appointment of the external auditors, considering their independence, the adequacy of experience, audit fee and any issue regarding resignation or dismissal;
- (xiii) to perform the oversight function over the administration of whistleblowing policy that is approved and adopted by the Board and to protect the values of transparency, integrity, impartiality and accountability where the Group conducts its business and affairs; and
- (xiv) to obtain advice from independent parties and other professionals, where necessary, in discharging their duties.

8.3.3 Remuneration Committee

Our Remuneration Committee was established by our Board on 26 November 2025. The composition of our Remuneration Committee is set out below:-

Name	Designation	Directorship
Samivel A/L Krishnamoorthy	Chairperson	Independent Non-Executive Director
Teh Su-Ching	Member	Independent Non-Executive Director
Tan Ming-li	Member	Independent Non-Executive Director

The terms of reference of our Remuneration Committee, amongst others, include the following:-

- (i) to assist our Board in determining the remuneration of our directors and senior management (refers to Executive Directors and C-suite members at Group level). In fulfilling this responsibility, our Remuneration Committee shall ensure that our Directors and our senior management:-
 - (a) are fairly rewarded for their individual contributions to overall performance;
 - (b) that the compensation is reasonable in light of our objectives; and

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

- (c) that the compensation is comparable to other companies.
- (ii) to review and recommend on an annual basis, the performance of our Directors and senior management, and recommend to our Board specific adjustments in remuneration and/or reward payments to be passed at a general meeting;
- (iii) to establish our Executive Director's goals, objectives and key performance indicators;
- (iv) to review our Executive Director's performance against the goals, objectives and key performance indicators set; and
- (v) to ensure that the remuneration packages and benefits for our Independent Non-Executive Directors do not conflict with their obligations to bring objective and independent judgement to our Board.

8.3.4 Nomination Committee

Our Nomination Committee was established by our Board on 26 November 2025. The composition of our Nomination Committee is set out below:-

Name	Designation	Directorship
Tan Ming-li	Chairperson	Independent Non-Executive Director
Samivel A/L Krishnamoorthy	Member	Independent Non-Executive Director
Teh Su-Ching	Member	Independent Non-Executive Director

The terms of reference of our Nomination Committee, amongst others, include the following:-

- (i) to identify, assess and recommend to our Board, candidates for our board directorships, having regard to their expertise, experience, and other core competencies, potential conflict of interest, contribution and integrity which our Directors should bring to our Board to meet the needs of our Company, strengthen Board leadership and oversight of sustainability issues;
- (ii) to recommend to our Board, a mixture of suitable, qualified and experienced candidates as Directors to fill the seats on our Board committees, taking into consideration the optimum and effective size of our Board and the candidates:-
 - (a) character, competency, knowledge and experience;
 - (b) professionalism;
 - (c) integrity and credibility;
 - (d) fit and properness;
 - (e) time commitment, particularly number of other directorships; and
 - (f) in the case of the candidates for the position of Independent Non-Executive Directors, the Nomination Committee would also evaluate the candidates' ability to discharge such responsibilities or functions as expected from the Independent Non-Executive Directors;
- (iii) to assess and evaluate, on an annual basis, or as required, the desirability of the overall composition of our Board and the balance amongst Executive, Non-Executive and Independent Directors;

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

- (iv) to evaluate the effectiveness of our Board and Board committees as a whole (including its size and composition) and contributions of each individual Director including a review of the performance of our Board in addressing our Company's material sustainability risks and opportunities. All assessments and evaluations carried out by our Nomination Committee in the discharge of all its functions would be properly documented;
- (v) to determine the independence of each Director annually and ensure that the independent Directors can bring independence and objective judgement to our Board deliberations;
- (vi) to review on an annual basis, the required mix of skills, experience, gender diversity and other qualities, including core competencies which Non-Executive and Executive Directors should have;
- (vii) to assess on an annual basis, the effectiveness of our Board and our Board committees as a whole and each individual Director including a review of the performance of our Board in addressing our Company's material sustainability risks and opportunities;
- (viii) to review and ensure an appropriate framework and plan for our Board succession;
- (ix) to recommend Director(s) who are retiring (by casual vacancy and/or by rotation) for re-election at our AGM; and
- (x) to ensure that our Directors receive appropriate induction programs and undergo continuous training in order to broaden their perspectives and to keep abreast with developments in the marketplace, changes in new statutory and regulatory requirements and understand the sustainability issues relevant to our Company and its business, including climate-related risks and opportunities.

8.3.5 Sustainability and Risk Management Committee

Our Sustainability and Risk Management Committee was established by our Board on 26 November 2025. The composition of our Sustainability and Risk Management Committee is set out below:-

Name	Designation	Directorship
Teh Su-Ching	Chairperson	Independent Non-Executive Director
Ryo Narisawa	Member	Executive Director / CEO
Samivel A/L Krishnamoorthy	Member	Independent Non-Executive Director
Tan Ming-li	Member	Independent Non-Executive Director

The terms of reference of our Sustainability and Risk Management Committee, amongst others, include the following:-

- (i) to oversee and recommend to our Board the risk management framework and policies of our Group;
- (ii) to review and recommend to our Board sustainability-related policies or frameworks of our Group;
- (iii) to advise our Board on setting appropriate policies on internal control and seek assurance that our systems are adequate and functioning effectively to address the risks;

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

- (iv) to determine our level of risk tolerance and actively identify, assess and monitor key business risks to safeguard our shareholders' investments and our assets;
- (v) to ensure that our Board conducts an annual review and periodic testing of our internal control and risk management;
- (vi) to oversee and monitor our Group's sustainability framework, including strategies, policies, governance structure and performance against approved targets;
- (vii) to review and address key sustainability matters, including material issues, audit or assurance findings, regulatory feedback and stakeholder concerns;
- (viii) to recommend significant sustainability matters to our Board to support informed decision-making and effective risk and opportunity management; and
- (ix) to obtain advice from independent parties and other professionals, where necessary, in discharging their duties.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**8.4 Key senior management****8.4.1 Shareholdings in our Company**

The table below sets out the direct and indirect shareholdings of each of our key senior management in our Company before and after our IPO, assuming our key senior management subscribe for their respective entitlements under the Pink Form Allocation in full as set out in **Section 3.2.1(ii)** of this Prospectus:-

Name	Designation	Nationality	Before our IPO / As at the LPD				After our IPO			
			Direct		Indirect		Direct		Indirect	
			No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Ryo Narisawa	Executive Director / CEO	Japanese	36,240,600	4.06	⁽³⁾ 520,000,000	58.18	38,240,600	3.06	⁽³⁾ 520,000,000	41.60
Tan Chan Chin	Executive Director / COO	Malaysian	64,356,600	7.20	-	-	66,106,600	5.29	-	-
Yap Kim Seng	Senior Director of Application Control Engineering	Malaysian	10,588,600	1.18	-	-	12,838,600	1.03	-	-
Beh Yong Yee	Senior Controller of Finance and Accounting Department	Malaysian	-	-	-	-	1,500,000	0.12	-	-
Satiaseelan A/L Kanasamy	Director of Sales and Project Engineering	Malaysian	-	-	-	-	2,000,000	0.16	-	-
Azahar Bin Mat Elias	Director of Manufacturing and Supply Chain	Malaysian	-	-	-	-	1,500,000	0.12	-	-
Lee Junyi	Director of R&D	Malaysian	-	-	-	-	2,000,000	0.16	-	-

Notes:-

- (1) Based on our issued share capital comprising 893,750,000 Shares after the Pre-IPO Restructuring but before our IPO.
- (2) Based on our enlarged issued share capital comprising 1,250,000,000 Shares after our IPO.
- (3) Deemed interested by virtue of his direct shareholdings in Jiyuan pursuant to Section 8(4) of the Act.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

8.4.2 Profiles of our key senior management

The profiles of our key senior management are as follows:-

- (i) **Ryo Narisawa**
Promoter, substantial shareholder and Executive Director / CEO

Please refer to **Section 8.1.3(i)** of this Prospectus for his profile.

- (ii) **Tan Chan Chin**
Promoter, substantial shareholder and Executive Director / COO

Please refer to **Section 8.1.3(iv)** of this Prospectus for his profile.

- (iii) **Yap Kim Seng**
Senior Director of Application Control Engineering

Yap Kim Seng, a Malaysian aged 49 years, is our Senior Director of Application Control Engineering. He is responsible for overseeing the application software and software field service department, electrical engineering department as well as internal IT department. Further, he is also responsible for overseeing the operations of SAPL.

In May 2000, he received a Bachelor of Science in Computer Science from Utah State University. Subsequently in December 2000, he began his career when he joined STEAG RTP Systems as a Software Engineer, where he was involved in equipment application programming. Following the acquisition of STEAG RTP Systems by Mattson Technology Inc, he continued in the position of Software Engineer at Mattson Technology Inc until he left the company in October 2003.

In November 2003, he joined our Group as Control System Engineer, where he was involved in programming and software design. In July 2005, he was promoted to Senior Control System Engineer, where his responsibilities expanded to include leading a team of software engineers in programming and software design.

In October 2010, he was promoted to Control System Manager of our Group, where he was responsible for managing the control system department, application software and firmware department as well as the internal IT department.

In February 2025, he was promoted to Senior Director of Application Control Engineering of our Group, a position he holds to-date.

He does not hold any directorships in other companies as at the LPD.

- (iv) **Beh Yong Yee**
Senior Controller of Finance and Accounting Department

Beh Yong Yee, a Malaysian aged 35 years, is our Senior Controller of Finance and Accounting Department. She is responsible for overseeing the finance and accounting department of our Group, which includes preparation of financial and management reports, taxation and financial planning.

In June 2014, she received a Bachelor of Business Administration in Economics and Professional Accounting from the Hong Kong University of Science and Technology. She has been a member of the ACCA since September 2018 and a Chartered Accountant of the MIA since January 2019. Further, she has been a fellow of the ACCA since September 2023.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

In April 2014, she joined Dell Asia Pacific Private Sdn Bhd as an Analyst, through Agensi Pekerjaan Zenith Services Sdn Bhd. She was responsible for sales analytics reporting and identifying opportunities for business growth in the Asia Pacific region. She left the company in October 2014 to focus on pursuing the ACCA.

In August 2015, she joined Ernst & Young as an Audit Assistant, where she was involved in conducting financial audits for multinational companies and public listed companies.

She left Ernst & Young in October 2017 and joined PricewaterhouseCoopers LLP in Singapore as a Senior Associate. She was involved in conducting financial audits for financial institutions, government-linked companies and investment holding companies. She left the company in January 2019.

In February 2019, she joined our Group as an Accountant, where she was responsible for preparing financial and accounting documents. In September 2022, she was promoted to the role of Chief Financial Officer where her responsibilities expanded to include preparation of financial and management reports as well as preparation of tax documents. In May 2024, she was formalised as Senior Controller of Finance and Accounting Department of our Group, a position she holds to-date.

She does not hold any directorships in other companies as at the LPD.

(v) **Satiaseelan A/L Kanasamy** *Director of Sales and Project Engineering*

Satiaseelan A/L Kanasamy, a Malaysian aged 42 years, is our Director of Sales and Project Engineering. He is responsible for leading our sales engineering and project management department.

In September 2006, he received a Bachelor's Degree in Engineering (Mechanical) from Universiti Teknologi Malaysia. Subsequently, he was certified in Lean Six Sigma Black Belt by Western Digital in November 2009. Further, he was certified as a Project Management Professional, Agile Certified Practitioner and Risk Management Professional in December 2013, December 2016 and May 2018 respectively, by Project Management Institute.

In June 2006, he began his career when he joined Komag USA (Malaysia) Sdn Bhd as a Specialist Engineer, where he was responsible for managing the maintenance and continuous improvement of hard disc manufacturing equipment. He left the company in June 2010.

In June 2010, he joined Xyratex Technology Ltd as a Technical Support Engineer, where he was responsible for providing field service support for automation solutions in the hard disc industry. He left the company in June 2011.

In June 2011, he joined BBS Automation Penang Sdn Bhd (formerly known as Ixmation (Asia) Sdn Bhd) as Project Engineer, where he was involved in project management for the provision of automation solutions. He subsequently received various promotions during the course of his employment at BBS Automation Penang Sdn Bhd and his last held position was Project Management Office (PMO) Manager, where he was responsible for leading the project management department.

In November 2021, he left BBS Automation Penang Sdn Bhd and joined Celestica Malaysia Sdn Bhd as Project Manager – Operations. In this role, he was responsible for managing projects across the region of Southeast Asia. He left the company in August 2022 and took a short career break.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

In January 2023, he joined our Group as Head of Project Management Office, where he was responsible for leading our Group's project management department. In January 2025, he was appointed as our Director of Sales and Project Engineering, a position he holds to-date.

He does not hold any directorships in other companies as at the LPD.

(vi) **Azahar Bin Mat Elias**

Director of Manufacturing and Supply Chain

Azahar Bin Mat Elias, a Malaysian aged 59 years, is our Director of Manufacturing and Supply Chain. He is responsible for overseeing our production operations to ensure efficiency, safety and quality. He also develops production strategies as well as manages production costs to support our Group's overall operational objectives.

In August 1989, he received a Bachelor of Science (Electrical Engineering) from Syracuse University.

In January 1990, he began his career when he joined Intel Technology Sdn Bhd as Product and Quality Engineer, where he was involved in the design and maintenance of semiconductor devices. In January 2010, he was promoted to New Product Introduction Manager where he was responsible for organising and leading the implementation of new products, from the product selection phase to the production phase. Subsequently in January 2020, he was promoted to Assembly and Test Manufacturing Manager where he was responsible for developing and executing manufacturing strategies and coordinating engineering teams. He left Intel Technology Sdn Bhd in March 2023 and began his retirement.

In January 2024, he exited retirement when he joined our Group as Deputy Director of Operations, where he was responsible for leading our Group's production team. In January 2025, he was promoted to Director of Manufacturing and Supply Chain of our Group, a position he holds to-date.

He does not hold any directorships in other companies as at the LPD.

(vii) **Lee Junyi**

Director of R&D

Lee Junyi, a Malaysian aged 37 years, is our Director of R&D. He is responsible for leading, managing and providing technical direction for our Group's R&D activities.

In August 2012, he received a Mechanical Engineering degree from Imperial College London. Subsequently in May 2016, he received a Doctor of Philosophy (PhD) Degree in Mechanical Engineering Research from Imperial College London.

In September 2015, he began his career when he joined Imperial College of Science, Technology and Medicine as a Research Assistant where he was involved in performing research on materials science specialising in metals / metallurgy / inter-metallics in the Department of Mechanical Engineering. In May 2016, he was promoted to Research Associate in the Department of Mechanical Engineering. He left this role in January 2019.

In January 2019, he joined the Entrepreneur First Singapore programme. Through this programme, in April 2019, he founded Binsho Solutions Pte Ltd, a company involved in the development and distribution of AI and machine vision systems for grading of agriculture and food products. The company was struck off in March 2022 with the intention to move the business to Malaysia.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

In March 2020, upon returning to Malaysia, he incorporated Binsho Solutions (M) Sdn Bhd to continue the same business activity as Binsho Solutions Pte Ltd. In the same month, he was appointed as Director in Binsho Solutions (M) Sdn Bhd, a position he holds to-date. He was initially involved in product development activities in Binsho Solutions (M) Sdn Bhd and has ceased to be involved in the company's day-to-day operations since March 2020.

In May 2020, he joined our Group as R&D Engineer, where he was involved in design, performing analysis and testing of AMHS components. Subsequently, he continued to advance in R&D roles at our Group as follows:-

- Assistant Manager (R&D) in September 2021;
- R&D Manager in September 2022;
- R&D Manager (Mechanical and Software) in March 2023; and
- Senior R&D Manager (Mechanical and Software) in September 2023.

In December 2024, he was promoted to Director of R&D, a position he holds to-date.

He does not hold directorships in any public companies as at the LPD. Please refer to **Section 8.4.3 (iii)** of this Prospectus for further details on his directorships outside of our Group.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

8.4.3 Involvement of our key senior management in other businesses and corporations outside our Group

Save for the involvement of Ryo Narisawa and Tan Chan Chin as disclosed in **Sections 8.2.3(ii)** and **8.2.3(iii)** of this Prospectus, and as disclosed below, none of our key senior management has any directorships or principal business activities performed outside our Group for the past 5 years prior to the LPD:-

(i) Yap Kim Seng

Company	Principal business activities	Nature of relationship	Date of appointment as director / partner	Date of cessation as director / partner
Past involvements:-				
Pixel Perfect Studio	Services of graphic designers, publishing of catalogues, photos, engraving and postcards, greeting cards, forms, posters, reproduction of works of art, advertising material and other printed matter, advertising, wholesale of photographic and optical goods	• Partner	18 April 2013	7 December 2020
Orthomedic Medical Devices Sdn Bhd	Investment holding company in property	• Director	10 February 2020	13 March 2025

(ii) Satiaseelan A/L Kanasamy

Company	Principal business activities	Nature of relationship	Date of appointment as director	Date of cessation as director
Past involvement:-				
Krsna Intelligent Solutions (business expired on 30 September 2022)	Industrial automation technical consultation, support & project management service	• Sole proprietor	-	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**(iii) Lee Junyi**

Company	Principal business activities	Nature of relationship	Date of appointment as director	Date of cessation as director
Present involvements:-				
Binsho Solutions (M) Sdn Bhd	AI and machine vision systems to perform grading of agriculture and food products, mainly palm oil. The main product is a system that uses cameras to capture images of palm oil fresh fruit bunches ("FFBs"), grades them by maturity, freshness and other categories. It then stores them in a database and performs calculations to determine the yield of these FFBs. The information is then presented in a front end. The customers are entirely palm oil mills / plantations or food processing factories	<ul style="list-style-type: none"> Director Shareholder (direct interest: 50.0%) 	16 March 2020	-
General Analytics Ltd (UK)	Offers simulation services and material modelling for exotic materials like TiAl and MgO Offers proofreading services for academic papers and technical documentation	<ul style="list-style-type: none"> Director Shareholder (direct interest: 100.0%) 	2 January 2019	-
Past involvement:-				
Binsho Solutions Pte Ltd (Struck off on 10 March 2022)	AI and machine vision systems to perform grading of agriculture and food products, mainly palm oil. The main product is a system that uses cameras to capture images of palm oil FFBs, grades them by maturity, freshness and other categories. It then stores them in a database and performs calculations to determine the yield of these FFBs. The information is then presented in a front end. The customers are entirely palm oil mills / plantations or food processing factories	<ul style="list-style-type: none"> Director Shareholder (direct interest: 50.0%) 	16 April 2019	10 March 2022

The involvement of our key senior management, namely Lee Junyi in other principal business activities outside of our Group will not affect his commitment and responsibilities to our Group in his role as our Director of R&D, given that the day-to-day management and operations of the business is managed by other shareholders and supported by an independent management team.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)
8.5 Remuneration of Directors and key senior management
8.5.1 Directors

The aggregate remuneration and material benefits-in-kind (which includes contingent or deferred remuneration) paid or proposed to be paid to our Directors on a yearly basis for services rendered in all capacities to our Group for the FYE 2025 and FYE 2026 are as follows:-

(i) FYE 2025 (paid)

Director	Fixed and non-deferred remuneration			Variable and non-deferred remuneration		Total (RM'000)
	Director's fee (RM'000)	Salary (RM'000)	Contributions to EPF and SOCSO (RM'000)	Bonus (RM'000)	Benefit-in-kind (RM'000)	
<u>Executive Directors</u>						
Ryo Narisawa	-	3,525	-	492	76	4,093
Tan Chan Chin	-	850	141	239	61	1,291
<u>Non-Executive Directors</u>						
Fazrin Azwar Bin Md. Nor	-	-	-	-	-	-
Teh Su-Ching	-	-	-	-	-	-
Samivel A/L Krishnamoorthy	-	-	-	-	-	-
Tan Ming-li	-	-	-	-	-	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**(ii) FYE 2026 (proposed)**

Director	Fixed and non-deferred remuneration			Variable and non-deferred remuneration		Total		
	Director's fee (RM'000)	Salary (RM'000)	Contributions to EPF and SOCSO (RM'000)	Bonus (RM'000)	Benefit-in-kind (RM'000)	Paid as at the LPD (RM'000)	Remaining to be paid in the FYE 2026 (RM'000)	Total (RM'000)
<u>Executive Directors</u>								
Ryo Narisawa ⁽¹⁾	22	3,877	40	541	84	2,235	2,329	4,564
Tan Chan Chin ⁽¹⁾	22	935	155	262	67	812	629	1,441
<u>Non-Executive Directors</u>								
Fazrin Azwar Bin Md. Nor ⁽²⁾	48	-	-	-	-	-	48	48
Teh Su-Ching ⁽²⁾	40	-	-	-	-	-	40	40
Samivel A/L Krishnamoorthy ⁽²⁾	40	-	-	-	-	-	40	40
Tan Ming-Ii ⁽²⁾	40	-	-	-	-	-	40	40

Notes:-

(1) Our Executive Directors were appointed on 7 May 2025.

(2) Our Non-Executive Directors were appointed on 26 November 2025.

The remuneration of our Directors, which includes salaries, Directors' fees, bonus and such other allowances as well as other benefits-in-kind, must be considered and recommended by our Remuneration Committee and subsequently approved by our Board. Our Directors' fees must be further approved / endorsed by our shareholders at a general meeting.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

8.5.2 Key senior management

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our key senior management for services rendered in all capacities to our Group are set out as follows:-

Key senior management	Remuneration band	
	FYE 2025 (RM'000)	FYE 2026 (proposed) (RM'000)
Yap Kim Seng	1,700 – 1,750	1,700 – 1,750
Beh Yong Yee	500 - 550	550 - 600
Satiaseelan A/L Kanasamy	650 - 700	700 - 750
Azahar Bin Mat Elias	700 - 750	750 - 800
Lee Junyi	800 - 850	850 - 900

The remuneration of our key senior management, which includes salaries, bonuses and allowances as well as other benefits (such as parking and mobile allowances), must be considered and recommended by our Remuneration Committee and subsequently approved by our Board.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

8.6 Declaration from our Promoters, Directors and key senior management

As at the LPD, none of our Promoters, Directors and key senior management is or has been involved in any of the following events (whether in or outside Malaysia):-

- (i) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he/she was a partner or any corporation of which he/she was a director or member of key senior management;
- (ii) such person was disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) in the last 10 years, such person was charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) in the last 10 years, any judgment was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his/her part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (v) in the last 10 years, such person was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his/her part that relates to the capital market;
- (vi) such person was the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him/her from engaging in any type of business practice or activity;
- (vii) in the last 10 years, such person has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and
- (viii) any unsatisfied judgment against such person.

8.7 Family relationships and/or associates

Save as disclosed below, there is no other family relationship and/or association between any of our Promoters, substantial shareholders, Directors and key senior management as at the LPD:-

- (i) Ryo Narisawa (our Promoter, substantial shareholder and Executive Director / CEO) is the director and shareholder of Jiyuan (our Promoter and substantial shareholder);
- (ii) Tan Chan Chin (our Promoter, substantial shareholder and Executive Director / COO) is the brother-in-law of Beh Lai Lien (our Promoter and substantial shareholder) and the uncle of Beh Yong Yee (our Senior Controller of Finance and Accounting Department);
- (iii) Beh Lai Lien (our Promoter and substantial shareholder) is the father of Beh Yong Yee (our Senior Controller of Finance and Accounting Department). He is the director and shareholder of Jiyuan (our Promoter and substantial shareholder); and
- (iv) Beh Yong Yee (our Senior Controller of Finance and Accounting Department) is the daughter of Beh Lai Lien (our Promoter and substantial shareholder) and the niece of Tan Chan Chin (our Promoter, substantial shareholder and Executive Director / COO).

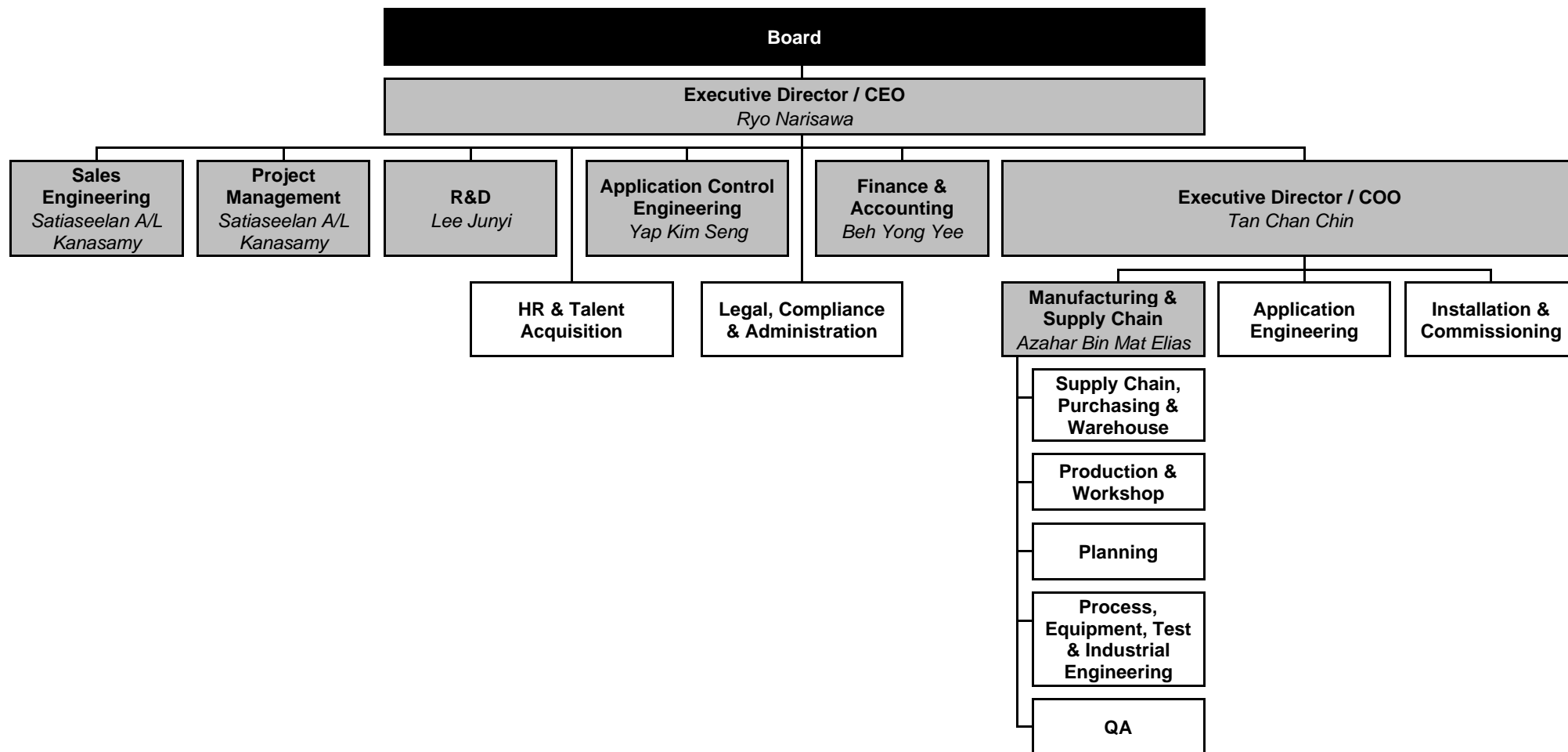
8.8 Service agreements

None of our Directors and key senior management has any existing or proposed service agreement with our Group as at the LPD.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

8.9 Management reporting structure

The management reporting structure of our Group is as follows:-



9. RELATED PARTY TRANSACTIONS

9.1 Related party transactions

There are no existing and/or proposed related party transactions entered into or to be entered into by our Group which involve the interest, whether direct or indirect, of our Directors, major shareholders and/or persons connected with them during the financial years under review as well as the subsequent period up to the LPD.

Upon our Listing, in the event that our Group enters into any material related party transactions in accordance with the Listing Requirements, we will seek our shareholders' approval accordingly. However, if such related party transactions are deemed as recurrent related party transactions, we may then seek a general mandate from our shareholders (which mandate would typically be renewed as required at each AGM of our Company) to enter into these recurrent related party transactions without having to seek separate shareholders' approval each time our Group wishes to enter into such recurrent related party transactions during the validity period of the mandate.

In the event that there are any proposed related party transactions that require the prior approval of our shareholders, our Directors, major shareholders and/or person(s) connected with them, who have any interest, whether direct or indirect, in the proposed related party transactions, will hence abstain from deliberating and voting in respect of their direct and/or indirect shareholdings, if any. Such interested Directors and/or major shareholders will also undertake to ensure that the person(s) connected with them will abstain from voting on the resolution approving the proposed related party transaction at a general meeting of our Company.

In addition, to safeguard the interest of our Company and our non-interested shareholders and to mitigate any potential conflict of interest situation, our Audit Committee will, amongst others, supervise and monitor any related party transaction and the terms thereof and report to our Board for further action, as set out in **Section 9.4** of this Prospectus.

9.2 Related party transactions that are unusual in their nature or conditions

There are no transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party for during the financial years under review as well as the subsequent period up to the LPD.

9.3 Outstanding loans and/or financial assistance (including guarantees of any kind)

9.3.1 Outstanding loans and/or financial assistance

There are no outstanding loans and/or financial assistance that has been provided by our Group to or for the benefits of any related parties or provided from related parties to us during the financial years under review as well as the subsequent period up to the LPD.

9.3.2 Guarantees

Save for the guarantees set out below, there are no other guarantees that has been provided by our Group to or for the benefits of any related parties or provided from related parties to us during the financial years under review as well as the subsequent period up to the LPD:-

- (i) During the financial years under review as well as the subsequent period up to the LPD, Ryo Narisawa, Beh Lai Lien and Tan Chan Chin have provided joint and several personal guarantees in favour of the financial institution extending such banking facility to our Group, which remains unutilised as at the LPD. In conjunction with our Listing, we have obtained conditional approval from the financial institution to discharge and/or uplift the said personal guarantees by substituting the same with a corporate guarantee from our Company as a listed entity and subject to the success of our Listing.

9. RELATED PARTY TRANSACTIONS (CONT'D)

Moving forward, we have put in place internal controls and compliance procedures in relation to financial assistance to be provided to related parties.

As such, we will not provide any financial assistance to the related parties unless such financial assistance is permitted under the applicable laws, rules and regulations (including the Listing Requirements) and brought to our Audit Committee and Board for deliberation and approval.

9.4 Monitoring and oversight of related party transactions and conflicts of interest

9.4.1 Audit Committee review

Our Audit Committee will review the related party transactions and conflicts of interest situations that may arise within our Group, including any transaction, procedures or course of conduct that raises questions of management integrity. The related parties and parties who are in a position of conflict with the interest of our Group will be required to abstain from deliberating and voting on the relevant transactions. In reviewing the related party transactions, the following, amongst others, will be considered by our Audit Committee:-

- (i) the rationale and the cost/benefit to our Company;
- (ii) where possible, comparative quotes will be taken into consideration;
- (iii) that the transactions are based on normal commercial terms and not more favourable to the related parties than those generally available to third parties dealing on an arm's length basis; and
- (iv) that the transactions are not detrimental to our Company's non-interested shareholders.

All reviews by our Audit Committee are reported to our Board for its further action.

9.4.2 Our policy on related party transactions and conflicts of interest

Related party transactions by their very nature, involve conflicts of interest between our Group and the related parties with whom our Group has entered into such transactions. It is the policy of our Group that all related party transactions are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to the public dealing on an arm's length basis with our Group and are not detrimental to our Company's non-interested shareholders.

In addition, we plan to adopt a comprehensive corporate governance framework that meets best practice principles to mitigate any potential conflict of interest situations and intend for the framework to be guided by the Listing Requirements and the MCGG upon our Listing. The procedures which may form part of the framework include, amongst others, the following:-

- (i) our Board shall ensure that majority of our Board's members are Independent Directors and will undertake an annual assessment of our Independent Directors;
- (ii) our Directors will be required to immediately make full disclosure of any direct or indirect interest that they may have in any business enterprise that is engaged in or proposed to be engaged in a transaction with our Group, whether or not they believe it is a material transaction. Upon such disclosure, the interested Director shall be required to abstain from deliberation and voting on any resolution related to the related party transaction; and
- (iii) all existing or potential related party transactions would have to be disclosed by the interested party for management reporting. Our management will propose the transactions to the Audit Committee for evaluation and assessment who would, in turn, make a recommendation to our Board.

10. CONFLICT OF INTEREST

10.1 Interest in entities carrying on a similar trade as that of our Group or which are our customers and/or suppliers

None of our Directors and/or substantial shareholders have any interest, whether direct or indirect, in any entities which are carrying on a similar trade as that of our Group or who are customers and/or suppliers of our Group as at the LPD.

10.2 Declaration by advisers for our IPO**10.2.1 Principal Adviser, Underwriter and Placement Agent**

UOBKH has given its confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Underwriter and Placement Agent for our IPO.

10.2.2 Legal adviser

Wong Beh & Toh has given its confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the legal adviser for our IPO.

10.2.3 Auditors and reporting accountants

Crowe Malaysia PLT has given its confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the auditors and reporting accountants for our IPO.

10.2.4 IMR

SMITH ZANDER has given its confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the IMR for our IPO.

10.2.5 Internal control reviewer

Sterling Business Alignment Consulting Sdn Bhd has given its confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the internal control reviewer for our IPO.

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11. FINANCIAL INFORMATION

The historical financial information presented below should be read in conjunction with the management's discussion and analysis of financial condition and results of operations as set out in **Section 11.3** of this Prospectus and the Accountants' Report, together with its related notes and assumptions as set out in **Section 12** of this Prospectus. There has been no audit qualification on our audited financial statements for the financial years under review.

11.1 Historical consolidated financial statements

Historical consolidated statements of comprehensive income

The following table sets out a summary of the audited consolidated statements of comprehensive income for the financial years under review:-

	Audited		
	FYE 2023	FYE 2024	FYE 2025
	(RM'000)	(RM'000)	(RM'000)
Revenue	145,916	158,877	220,275
Cost of goods sold	(71,407)	(105,348)	(102,105)
GP	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)
PBT	57,604	32,264	88,287
Tax expense	(14,738)	(3,319)	(22,125)
PAT	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)
Total comprehensive income for the financial year	43,262	29,555	65,481
EBITDA (RM'000) ⁽¹⁾	59,721	34,579	90,125
GP margin (%) ⁽²⁾	51.06	33.69	53.65
EBITDA margin (%) ⁽³⁾	40.93	21.76	40.91
PBT margin (%) ⁽⁴⁾	39.48	20.31	40.08
PAT margin (%) ⁽⁵⁾	29.38	18.22	30.04
Effective tax rate (%)	25.59	10.29	25.06
No. of Shares in issue after our IPO ('000)	1,250,000	1,250,000	1,250,000
Basic and diluted EPS (sen) ⁽⁶⁾	3.43	2.32	5.29

11. FINANCIAL INFORMATION (CONT'D)**Notes:-**

(1) The table below sets out the reconciliation of our PBT to EBITDA:-

	Audited		
	FYE 2023	FYE 2024	FYE 2025
	(RM'000)	(RM'000)	(RM'000)
PBT	57,604	32,264	88,287
Adjusted for:-			
Finance costs	147	37	23
Finance income	(782)	(1,532)	(2,344)
Depreciation	1,912	3,084	3,530
Amortisation	840	726	629
EBITDA	59,721	34,579	90,125

(2) GP margin is computed based on the GP over revenue of our Group.

(3) EBITDA margin is computed based on the EBITDA over revenue of our Group.

(4) PBT margin is computed based on the PBT over revenue of our Group.

(5) PAT margin is computed based on the PAT over revenue of our Group.

(6) Basic and diluted EPS is computed based on the PAT divided by the enlarged number of issued Shares of 1,250,000,000 Shares after our IPO. There are no dilutive instruments as at the end of the respective financial years.

Historical consolidated statements of financial position

The following table sets out a summary of the audited consolidated statements of financial position for the financial years under review:-

	Audited		
	FYE 2023	FYE 2024	FYE 2025
	(RM'000)	(RM'000)	(RM'000)
Non-current assets			
Property, plant and equipment	23,927	26,486	24,379
Right-of-use assets	14,010	13,742	13,155
Intangible assets	1,345	795	-
Deferred tax assets	-	1	2
Total non-current assets	39,282	41,024	37,536
Current assets			
Inventories	23,577	26,397	21,567
Contract assets	-	21	-
Receivables	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	33,273	47,983	60,317
Total current assets	104,258	145,845	172,381

11. FINANCIAL INFORMATION (CONT'D)

	Audited		
	FYE 2023	FYE 2024	FYE 2025
	(RM'000)	(RM'000)	(RM'000)
Current liabilities			
Payables	16,135	17,180	10,523
Lease liabilities	282	373	279
Contract liabilities	1,898	21,207	7,013
Current tax liabilities	2,492	60	19
Total current liabilities	20,807	38,820	17,834
Net current assets	83,451	107,025	154,547
Non-current liabilities			
Deferred tax liabilities	391	551	406
Lease liabilities	65	135	59
Total non-current liabilities	456	686	465
Net assets	122,277	147,363	191,618
Equity			
Invested capital	4,469	4,469	4,469
Currency translation reserve	708	1,318	637
Retained profits	117,100	141,576	186,512
Total equity	122,277	147,363	191,618

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11. FINANCIAL INFORMATION (CONT'D)

11.2 Reporting Accountants' report on the pro forma consolidated statements of financial position as at 31 March 2025



Crowe Malaysia PLT
201906000065 (LLP0018817-LCA) & AF 1018
Chartered Accountants
Level 6, Wisma Penang Garden
42 Jalan Sultan Ahmad Shah
10050 George Town
Penang, Malaysia
Main +6 04 2277 061
Email info.pg@crowe.my
www.crowe.my

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,

STRATUS GLOBAL HOLDINGS BERHAD ("STRATUS GLOBAL" OR "THE COMPANY") REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2025 INCLUDED IN A PROSPECTUS

We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Statements of Financial Position of Stratus Global and its subsidiaries (collectively known as "the Group" or "Stratus Global Group") prepared by the Board of Directors of the Company. The Pro Forma Consolidated Statements of Financial Position consists of the Consolidated Statements of Financial Position as at 31 March 2025 together with the accompanying notes thereon, for which we have stamped for the purpose of identification.

The applicable criteria on the basis of which the Board of Directors of the Company have compiled the Pro Forma Consolidated Statements of Financial Position are described in the notes thereon to the Pro Forma Consolidated Statements of Financial Position, and is prepared in accordance with the requirements of the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the Guidance Note for issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants ("Guidance Note").

The Pro Forma Consolidated Statements of Financial Position has been compiled by the Board of Directors of the Company to illustrate the impact of the transactions as set out in notes to the Pro Forma Consolidated Statements of Financial Position as at 31 March 2025 as if the events have been effected on 31 March 2025. As part of this process, information about the Group's financial position as at 31 March 2025 has been extracted by the Board of Directors of the Company from the Group's audited financial statements for the financial year ended 31 March 2025.

THE BOARD OF DIRECTORS' RESPONSIBILITIES

The Board of Directors of the Company is responsible for compiling Pro Forma Consolidated Statements of Financial Position on the basis as described in the notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

11. FINANCIAL INFORMATION (CONT'D)**REPORTING ACCOUNTANTS' INDEPENDENCE AND QUALITY CONTROL**

We are independent of the Company 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.

Our firm applies International Standard on Quality Management 1 (ISQM 1), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal regulatory requirements

REPORTING ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion, as required by the Prospectus Guidelines about whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, by the Board of Directors of the Company on the basis as described in notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

We conducted our engagement in accordance with the International Standard on Assurance Engagement 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors of the Company has compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinion on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling Pro Forma Consolidated Statements of Financial Position.

The purpose of Pro Forma Consolidated Statements of Financial Position included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

11. FINANCIAL INFORMATION (CONT'D)



REPORTING ACCOUNTANTS' RESPONSIBILITIES (CONT'D)

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of Pro Forma Consolidated Statements of Financial Position.

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

OPINION

In our opinion, the Pro Forma Consolidated Statements of Financial Position of the Group has been compiled, in all material respects, on the basis as described in notes thereon of the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

OTHER MATTER

This letter has been prepared solely for the purpose stated above, in connection with the listing of and quotation for the entire enlarged issued share capital of Stratus Global on the Main Market of Bursa Malaysia Securities Berhad. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

A handwritten signature in black ink, appearing to be "Rae", written over a circular scribble.

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

A large, stylized handwritten signature in black ink, appearing to be "Eddy Chan Wai Hun", written over a large circular scribble.

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

11. FINANCIAL INFORMATION (CONT'D)

APPENDIX A

STRATUS GLOBAL HOLDINGS BERHAD

1. Pro Forma Consolidated Statements of Financial Position as at 31 March 2025

					Pro Forma I After Issue of Shares, Pre-IPO Dividend and Acquisition of SASB		Pro Forma II After Pro Forma I and Public Issue	Utilisation of Proceeds	Pro Forma III After Pro Forma II and Utilisation of Proceeds
Note	As at 31 March 2025*	Issue of shares	Pre-IPO Dividend	Acquisition of SASB	RM'000	Public Issue	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets									
Property, plant and equipment	24,379	0	0	0	24,379	0	24,379	0	24,379
Right-of-use assets	13,155	0	0	0	13,155	0	13,155	0	13,155
Deferred tax assets	2	0	0	0	2	0	2	0	2
	37,536	0	0	0	37,536	0	37,536	0	37,536
Current assets									
Inventories	21,567	0	0	0	21,567	0	21,567	0	21,567
Receivables	84,147	0	0	0	84,147	0	84,147	0	84,147
Prepayments	2,762	0	0	0	2,762	0	2,762	[-]	[-]
Current tax assets	3,588	0	0	0	3,588	0	3,588	0	3,588
Cash and cash equivalents	60,317	20	(13,406)	0	46,931	[-]	[-]	[-]	[-]
	172,381	20	(13,406)	0	158,995	[-]	[-]	[-]	[-]
Current liabilities									
Payables	10,523	0	0	0	10,523	0	10,523	0	10,523
Lease liabilities	279	0	0	0	279	0	279	0	279
Contract liabilities	7,013	0	0	0	7,013	0	7,013	0	7,013
Current tax liabilities	19	0	0	0	19	0	19	0	19
	17,834	0	0	0	17,834	0	17,834	0	17,834
Net current assets	154,547	20	(13,406)	0	141,161	[-]	[-]	[-]	[-]
Non-current liabilities									
Deferred tax liabilities	406	0	0	0	406	0	406	0	406
Lease liabilities	59	0	0	0	59	0	59	0	59
	465	0	0	0	465	0	465	0	465
Net assets	191,618	20	(13,406)	0	178,232	[-]	[-]	[-]	[-]

11. FINANCIAL INFORMATION (CONT'D)

APPENDIX A

STRATUS GLOBAL HOLDINGS BERHAD

1. Pro Forma Consolidated Statements of Financial Position as at 31 March 2025 (cont'd)

					Pro Forma I After Issue of Shares, Pre-IPO		Pro Forma II		Pro Forma III	
	Note	As at 31 March 2025* RM'000	Issue of shares RM'000	Pre-IPO Dividend RM'000	Acquisition of SASB RM'000	Dividend and Acquisition of SASB RM'000	Public Issue RM'000	After Pro Forma I and Public Issue RM'000	Utilisation of Proceeds RM'000	After Pro Forma II and Utilisation of Proceeds RM'000
Equity										
Share capital	8.3	^	20	0	192,152	192,172	[•]	[•]	[•]	[•]
Invested capital	8.4	4,469	0	0	(4,469)	0	0	0	0	0
Reorganisation reserve	8.5	0	0	0	(187,683)	(187,683)	0	(187,683)	0	(187,683)
Currency translation reserve		637	0	0	0	637	0	637	0	637
Retained profits	8.6	186,512	0	(13,406)	0	173,106	0	[•]	[•]	[•]
Total equity		191,618	20	(13,406)	0	178,232	[•]	[•]	[•]	[•]
Number of ordinary shares ('000)	8.3	^	20		893,730	893,750	356,250	1,250,000		1,250,000
NA attributable to owners of the Company (RM'000)		191,618				178,232		[•]		[•]
NA per ordinary share (sen)		9,580,900				20		[•]		[•]
Gearing ratio (times)		0.00				0.00		[•]		[•]

Notes:

* Extracted from the Group's audited combined financial statements for the financial year ended 31 March 2025

^ Stratus Global Holdings Berhad was incorporated on 7 May 2025 and the shares capital at the date of incorporation was RM2 representing 2 shares of RM1.00 each. For the purpose of Pro Forma Consolidated Statements of Financial Position, the issue and paid up share capital at the date of incorporation was assumed to be issued on 31 March 2025.

11. FINANCIAL INFORMATION (CONT'D)**APPENDIX A****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2025****2. Abbreviation**

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report:

Acquisition of SASB	: Acquisition by Stratus Global of the entire issued share capital of SASB comprising 4,468,650 ordinary shares from the Vendors, namely Jiyuan Holding Sdn Bhd, Beh Lai Lien, Ryo Narisawa, Tan Chan Chin, Lai Siaw Ling, Masuko Narisawa, Ooi Eng Guan, Wong Pow Keong and Yap Kim Seng for a purchase consideration of RM192,151,950, which was fully satisfied through the issuance of 893,730,000 new Shares at an issue price of RM0.215 per Share. The Acquisition of SASB was completed on 11 November 2025
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
Stratus Global or Company	: Stratus Global Holdings Berhad (Registration No.: 202501019963 (1621376-M))
SASB	: Stratus Automation Sdn Bhd (Registration No.: 201601013422 (1184353-T))
SACO	: Stratus Automation Corporation (United States of America Registration No.: 602-585-301)
SAPL	: Stratus Automation Pte Ltd (Singapore Registration No.: 202124353N)
Stratus Global Group or Group	: Collectively, Stratus Global and its subsidiaries
Stratus Global Share(s) or Share(s)	: Ordinary share(s) in Stratus Global
IPO	: Initial public offering comprising the Public Issue
IPO Price	: The issue price of RM[•] per IPO Share
IPO Share(s)	: 356,250,000 new Stratus Global Share(s) to be issued pursuant to the Public Issue
Listing	: Admission of the Company to the Official List and the listing of and quotation for the entire enlarged issued share capital of Stratus Global comprising 1,250,000,000 Shares on the Main Market of Bursa Securities
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
Listing Scheme	: Comprising the Acquisition of SASB, IPO and Listing, collectively
Malaysian Public	: Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia

11. FINANCIAL INFORMATION (CONT'D)**APPENDIX A****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2025 (CONT'D)****2. Abbreviation (cont'd)**

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report (cont'd):

NA	: Net assets
Prospectus	: This Prospectus in relation to the IPO
Public Issue	: Public issue of 356,250,000 IPO Shares at the IPO Price, allocated in the following manner:- <ul style="list-style-type: none"> (i) 25,000,000 IPO Shares for application by the Malaysian Public through a balloting process, of which 12,500,000 IPO Shares will be set aside for Bumiputera investors, which include individuals, companies, societies, co-operatives and institutions; (ii) 30,000,000 IPO Shares for application by the eligible Directors and employees as well as persons who have contributed to the success of the Group; (iii) 145,000,000 IPO Shares by way of private placement to identified institutional and/or selected investors; and (iv) 156,250,000 IPO Shares by way of private placement to identified Bumiputera investors approved by the Ministry of Investment, Trade and Industry of Malaysia
Vendors	: Collectively, Ryo Narisawa, Beh Lai Lien, Tan Chan Chin, Lai Siaw Ling, Masuko Narisawa, Ooi Eng Guan, Wong Pow Keong, Yap Kim Seng and Jiyuan Holding Sdn Bhd pursuant to the Acquisition of SASB
RM and sen	: Ringgit Malaysia and sen, respectively

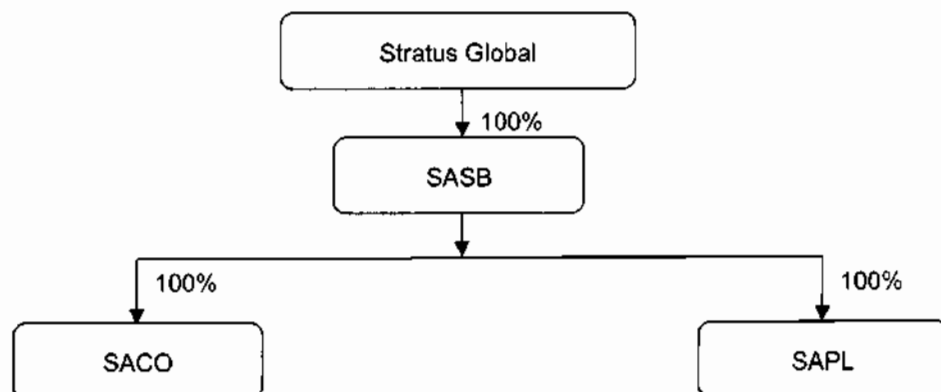
3. Introduction

The Pro Forma Consolidated Statements of Financial Position of the Group as at 31 March 2025 together with the notes thereon, for which the Board of Directors of the Company ("the Directors") are solely responsible, have been prepared for illustrative purposes only for the purpose of inclusion in the Prospectus of the Company to be issued in conjunction with the Listing and should not be relied upon for any other purposes.

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11. FINANCIAL INFORMATION (CONT'D)**APPENDIX A****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2025 (CONT'D)****4. Group structure**

The group structure of Stratus Global is as follows:



The financial positions of Stratus Global and its subsidiaries are consolidated using the merger method as the companies are under common control by same parties, both before and after the Acquisition of SASB, and control is not transitory. When the merger method is used, the difference between the cost of investment recorded by Stratus Global (i.e. the purchase consideration for the Acquisition of SASB) and the share capital of SASB is accounted for as reorganisation reserve in the Pro Forma Consolidated Statements of Financial Position, as set out as follows:

	RM'000
New Shares issued by the Company as consideration for the Acquisition of SASB	192,152
Less: Reversal of issued share capital of SASB as at 31 March 2025	(4,469)
Reorganisation reserve	<u>187,683</u>

5. Basis of Preparation

The Pro Forma Consolidated Statements of Financial Position have been prepared based on the audited consolidated statements of financial position of the Group as at 31 March 2025, which was prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards, and in a manner consistent with the format of the financial statements and the accounting policies of the Group.

The Pro Forma Consolidated Statements of Financial Position together with the related notes thereon, have been prepared solely to illustrate the impact of the events and transactions set out in Section 6 to the Pro Forma Consolidated Statements of Financial Position on the audited financial statements of the Group as at 31 March 2025 had the events occurred or transactions been undertaken on 31 March 2025.

The financial statements used in preparation of this Pro Forma Consolidated Statements of Financial Position as at 31 March 2025 were not subject to any qualification, modification or disclaimer of opinion.

The Pro Forma Consolidated Statements of Financial Position are not necessary indicative of the financial position that would have been attained had the IPO actually occurred at the respective dates. The Pro Forma Consolidated Statements of Financial Position have been prepared for illustrative purpose only, and because of this nature, may not give a true picture of the actual financial position of the Group.

11. FINANCIAL INFORMATION (CONT'D)**APPENDIX A****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2025 (CONT'D)****6 Listing Scheme**

As part of the Listing, Stratus Global shall undertake the following:

6.1 Acquisition of SASB

On 11 November 2025, the Company had entered into a conditional share sale agreement with the Vendors 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 Shares at an issue price of RM0.215 per 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.

6.2 IPO

Public issue of 356,250,000 IPO Shares, representing 28.50% of the enlarged number of issued Shares of Stratus Global, at the IPO Price, to be allocated in the following manner:

- (a) 25,000,000 IPO Shares, representing 2.00% of the enlarged number of issued Shares, are made available for application by the Malaysian Public;
- (b) 30,000,000 IPO Shares, representing 2.40% of the enlarged number of issued Shares, are made available for application by the eligible Directors, employees and persons who have contributed to the success of the Group;
- (c) 145,000,000 IPO Shares, representing 11.60% of the enlarged number of issued Shares, by way of private placement to identified institutional and/or selected investors; and
- (d) 156,250,000 IPO Shares, representing 12.50% of the enlarged number of issued Shares, by way of private placement to Bumiputera investors approved by the Ministry of Investment, Trade and Industry of Malaysia.

Upon completion of the Public Issue, the share capital of Stratus Global shall increase from RM192,151,950 comprising 893,750,000 shares to RM[●] comprising 1,250,000,000 Stratus Global Shares.

6.3 Listing on Bursa Securities

The admission of Stratus Global to the Official List of Bursa Securities, and the entire enlarged issued share capital of RM[●] (before deducting the estimated listing expenses directly attributable to the issuance of new Shares) comprising 1,250,000,000 Stratus Global Shares shall be listed on the Main Market of Bursa Securities upon completion of the IPO and Listing.

11. FINANCIAL INFORMATION (CONT'D)**APPENDIX A****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2025 (CONT'D)****7 Pro Forma Adjustments to the Pro Forma Consolidated Statements of Financial Position**

The Pro Forma Consolidated Statements of Financial Position as at 31 March 2025 have been prepared solely for illustration purposes only to show the effects of the following transactions based on the assumptions that they had been undertaken on 31 March 2025:

7.1 Pro Forma I

Pro Forma I incorporates the effects of the issuance of new Stratus Global Shares on 10 September 2025 ("Issue of Shares"), payment of Interim dividend of RM3.0 per ordinary share in SASB in respect of the financial year ending 31 March 2026 (which was declared on 27 October 2025 and paid on 27 November 2025) ("Pre-IPO Dividend") and Acquisition of SASB as set out in Section 6.1 above.

7.2 Pro Forma II

Pro Forma II incorporates the effect of Pro Forma I and effect of the Public Issue as set out in Section 6.2 above.

7.3 Pro Forma III

Pro Forma III incorporates the effects of Pro Forma I and Pro Forma II and the effect of the utilisation of the proceeds from the Public Issue. The proceeds from the Public Issue are intended to be used as follows:

Utilisation of proceeds	RM'000	%	Estimated timeframe for utilisation
Business expansion:			
-Expansion of the Group's facility ⁽¹⁾	[•]	[•]	Within 36 months upon Listing
-Overseas business expansion ⁽¹⁾	[•]	[•]	Within 36 months upon Listing
-R&D expenditure ⁽¹⁾	[•]	[•]	Within 36 months upon Listing
Working capital ⁽¹⁾	[•]	[•]	Within 12 months upon Listing
Estimated listing expenses ⁽²⁾	[•]	[•]	Within 1 month upon Listing
Total	[•]	[•]	

Notes:

(1) The effects of these utilisation of proceeds are not adjusted in Pro Forma III as they are not supported by any purchase order, sale and purchase agreement or any other contractual binding agreement, and hence, they remained in the cash and bank balances.

(2) The estimated listing expenses to be borne by the Company are estimated to be RM[•] million comprising professional advisory fees, underwriting commission, brokerage and placement fees and miscellaneous expenses. A total of RM[•] million is assumed to be directly attributable to the issuance of new Shares and therefore will be set off against share capital of the Company. The remaining expenses of RM[•] million are assumed to be attributable to the Listing and therefore will be charged to the statements of profit or loss and other comprehensive income of the Company. As at 31 March 2025, RM[•] million has been paid and debited into prepayments.

11. FINANCIAL INFORMATION (CONT'D)**APPENDIX A****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2025 (CONT'D)****8. Effects on the Pro Forma Consolidated Statements of Financial Position****8.1 Prepayments****RM'000**

As at 31 March 2025 / As per Pro Forma I and II	2,762
Pursuant to prepaid listing expenses ⁽¹⁾	[•]
As per Pro Forma III	[•]

Note:

- ⁽¹⁾ As at 31 March 2025, RM[•] million of the estimated listing expenses have been recognised as prepayments which will be offset against share capital and subsequently expensed off to profit or loss upon Listing.

8.2 Cash and cash equivalents**RM'000**

As at 31 March 2025	60,317
Issue of shares	20
Pre-IPO Dividend	(13,406)
As per Pro Forma I	46,931
Pursuant to Public Issue	[•]
As per Pro Forma II	[•]
Pursuant to estimated listing expenses ⁽¹⁾	[•]
As per Pro Forma III	[•]

Notes:

- ⁽¹⁾ The estimated listing expenses is RM[•] million of which RM[•] million has been paid as at 31 March 2025.

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11. FINANCIAL INFORMATION (CONT'D)**APPENDIX A****STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2025 (CONT'D)****8. Effects on the Pro Forma Consolidated Statements of Financial Position (cont'd)****8.3 Share capital**

	Number of Ordinary Shares (^{'000})	Amount of share capital RM ^{'000}
As at 31 March 2025 ⁽¹⁾	#	[^]
Issue of Shares	20	20
Pursuant to Acquisition of SASB	893,730	192,152
As per Pro Forma I	893,750	192,172
Pursuant to Public Issue	356,250	[•]
As per Pro Forma II	1,250,000	[•]
Estimated listing expenses (Section 7.3)	0	[•]
As per Pro Forma III	1,250,000	[•]

Notes:

Represent 2 ordinary shares

[^] Represent RM2

⁽¹⁾ Stratus Global was incorporated on 7 May 2025. For the purpose of Pro Forma Consolidated Statements of Financial Position, the issue and paid up share capital at the date of incorporation was assumed to be issued on 31 March 2025.

8.4 Invested capital

	Amount of Invested Capital RM ^{'000}
As at 31 March 2025	4,469
Pursuant to Acquisition of SASB	(4,469)
As per Pro Forma I, II and III	0

8.5 Reorganisation reserve

	RM ^{'000}
As at 31 March 2025	0
Pursuant to Acquisition of SASB	(187,683)
As per Pro Forma I, II and III	(187,683)

8.6 Retained profits

	RM ^{'000}
As at 31 March 2025	186,512
Pre-IPO Dividend	(13,406)
As per Pro Forma I and II	173,106
Estimated listing expenses (Section 7.3)	[•]
As per Pro Forma III	[•]

11. FINANCIAL INFORMATION (CONT'D)

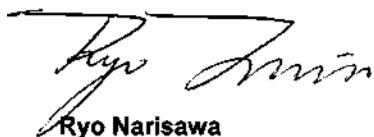
APPENDIX A

STRATUS GLOBAL HOLDINGS BERHAD

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 01 DEC 2025

On behalf of the Board of Directors,



Ryo Narisawa



Tan Chan Chin

11. FINANCIAL INFORMATION (CONT'D)

11.3 Management's discussion and analysis of financial condition and results of operations

The following management's discussion and analysis of our financial condition and results of operations is based on our financial information in respect of the financial years under review, as derived from the Accountants' Report set out in **Section 12** of this Prospectus, and should be read in conjunction with the accompanying notes, assumptions and bases included in therein. There are no accounting policies which are peculiar to our Group in regard to the nature of the business or the industry which our Group is involved in.

This discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and our financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set out under risk factors in **Section 4** of this Prospectus.

11.3.1 Overview of our operations

(i) Principal activities

We are a factory automation solutions provider, specialising in cleanroom AMHS solutions. Our solutions are primarily catered towards companies operating within the semiconductor industry, where our AMHS are designed primarily to transfer and store critical materials (such as silicon wafers and related components) within cleanroom or other controlled environments. By automating material movements, our solutions minimise idle time between processing stages, enhance throughput and sustain consistent manufacturing yield, all of which are productivity metrics essential to semiconductor manufacturing operations.

We have established our expertise since 1998 in providing end-to-end AMHS solutions, encompassing the design, fabrication, installation and commissioning of AMHS. Our AMHS solutions comprise conveyor-based AMHS, hybrid AMHS and ASRS, each tailored to meet the operational specifications and performance objectives of our customers.

Over our 27 years of operations under the stewardship of our Promoter, substantial shareholder and Executive Director / CEO, Ryo Narisawa, we have established a strong reputation and proven track record in the AMHS segment, as evidenced by the expansion of our business operations and our growing international customer base, which primarily consists of foreign multinational semiconductor companies with operations in Malaysia as well as semiconductor manufacturers based in overseas.

Please refer to **Section 6** of this Prospectus for our Group's detailed business overview.

(ii) Revenue

Our revenue for the financial years under review primarily comprises revenue from the sale of our AMHS solutions (namely, conveyor-based AMHS, hybrid AMHS and ASRS), which are secured by way of purchase orders issued by our customers on a project-by-project basis. This includes the provision of end-to-end AMHS solutions, encompassing the design, fabrication, installation and commissioning of AMHS.

Our revenue for the financial years under review also includes fees from ancillary support services relating to our AMHS solutions, which are undertaken upon our customers' request (for scopes of work that fall outside of our typical purchase order based engagements) and which, in aggregate, accounted for less than 3.0% of our total revenue during the financial years under review.

11. FINANCIAL INFORMATION (CONT'D)

We recognise our revenue based on the following revenue recognition methods:-

- (a) at a point-in-time, which relates to the sale of our AMHS solutions, where revenue is recognised at the point in time when AMHS components are delivered to the customer and control of such components has transferred, as generally evidenced upon the customer's receipt of the components, at which point the customer obtains the right to the direct use of, and obtain substantially all of the remaining benefits from the delivered AMHS components. Such deliveries typically represent the majority of the value under the relevant purchase orders.

The final point-in-time recognition occurs upon the delivery of the remaining AMHS components (together with the completion of installation and commissioning of our AMHS solutions) and customer acceptance of our AMHS solutions. The timing of such final acceptance may vary between projects and financial periods due to factors such as project complexity, customer site readiness, commissioning schedules and customer acceptance procedures, some of which may be beyond our direct control. Accordingly, it should be noted that the recognition of the remaining portion of revenue may be deferred to subsequent financial periods, notwithstanding that substantial engineering work may have been completed or costs incurred during the financial period; and

- (b) over time in the period, which relates to the provision of ancillary support services relating to our AMHS solutions, where revenue is recognised using an input method that measures progress based on costs incurred relative to total expected costs. Such services relate to activities where the customer simultaneously receives and benefits from the services as performed.

Our revenue is mainly affected by the following factors:-

- (a) types of solutions and complexity of the AMHS solutions provided (in terms of, amongst others, operational layout design, scale of the solution and technical specifications);
- (b) the project implementation timeframe for our AMHS solutions (including the installation and commissioning activities) and customer acceptance procedures;
- (c) movements in foreign exchange rates (in particular, USD against RM exchange rates); and
- (d) the demand conditions affecting the global semiconductor industry and AMHS segment within the semiconductor industry as set out in **Section 7** of this Prospectus, in particular, increasing global demand for E&E and rapid technological advancements in E&E products, rising prevalence of generative AI spurring demand for data centres, E&E devices and semiconductors as well as approved investments and government initiatives in Malaysia to drive digitalisation as well as the E&E and semiconductor industries.

(iii) Cost of goods sold

Our cost of goods sold comprises direct costs incurred in the provision of our AMHS solutions, including, amongst others, raw materials consumed, staff costs of personnel directly involved in the provision of our AMHS solutions, outsourced services (which are procured by our Group primarily for the assembly of AMHS components at our Bayan Lepas Facility as well as installation and commissioning of our AMHS solutions at customers' sites) and transportation costs.

(iv) Other income

Other income mainly comprises interest income from deposits placed with licensed banks and realised gain on foreign exchange.

11. FINANCIAL INFORMATION (CONT'D)**(v) Administrative and general expenses**

Administrative and general expenses relate to expenses that are not directly attributable to the generation of revenue. These mainly comprise costs incurred to support and maintain our operations, which includes, amongst others, employees' benefits expenses (such as our Directors' remuneration and administrative staff related expenses), realised loss on foreign exchange, depreciation and amortisation expenses, licence fee, insurance and professional fees.

(vi) Selling and distribution expenses

Selling and distribution expenses relates to costs incurred for the marketing and distribution of our AMHS solutions, which mainly comprise carriage outwards.

(vii) Recent developments

There were no other significant events subsequent to the issuance of our audited consolidated financial statements for the financial years under review.

(viii) Exceptional and extraordinary items and audit qualifications

There were no exceptional or extraordinary items recorded during the financial years under review. In addition, our audited consolidated financial statements for the financial years under review were not subject to any audit qualifications.

11.3.2 Components of financial performance**(i) Revenue**

We recorded revenue of RM145.92 million, RM158.88 million and RM220.28 million for the FYE 2023, FYE 2024 and FYE 2025 respectively.

Revenue by business segments

Our revenue by business segments is as follows:-

	FYE 2023		FYE 2024		FYE 2025	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Conveyor-based AMHS ⁽¹⁾	51,239	35.12	78,238	49.25	111,360	50.56
Hybrid AMHS ⁽¹⁾	86,019	58.95	72,818	45.83	72,560	32.94
ASRS	8,658	5.93	7,821	4.92	36,355	16.50
Total revenue	145,916	100.00	158,877	100.00	220,275	100.00

Note:-

(1) Includes our revenue from the provision of ancillary support services relating to our AMHS solutions, details of which are set out below:-

	FYE 2023		FYE 2024		FYE 2025	
	(RM'000)	^(a) (%)	(RM'000)	^(a) (%)	(RM'000)	^(a) (%)
Conveyor-based AMHS	2,358	1.61	232	0.14	3,124	1.42
Hybrid AMHS	172	0.12	411	0.26	1,512	0.68
Total	2,530	1.73	643	0.40	4,636	2.10

Note:-

(a) Based on our total revenue for the respective financial years.

11. FINANCIAL INFORMATION (CONT'D)

Our revenue was primarily derived from the conveyor-based AMHS and hybrid AMHS segments, which collectively accounted for more than 80.0% of our total revenue for the financial years under review. The revenue of our Group had increased from RM145.92 million in the FYE 2023 to RM220.28 million in the FYE 2025, representing a CAGR of 22.87% over the financial years under review. The growth in our revenue was mainly driven by the following:-

- (a) increase in revenue from the conveyor-based AMHS segment, primarily due to the following:-
- higher demand for such solution as evidenced by the overall increase in the number of projects undertaken and completed from 24 projects in the FYE 2023 to 23 projects in the FYE 2024 and 36 projects in the FYE 2025; and
 - higher revenue contribution from our major customers, Customer A Group, Customer C and Customer D Group, which collectively accounted for more than 60.0% of the total project billings under this segment in the financial years under review; and
- (b) increase in revenue from the ASRS segment, primarily driven by higher revenue contribution from our major customers, Customer A Group, Customer H Group and Customer F Group, arising from higher project billings during the financial years under review.

Revenue by geographical locations

Our revenue by geographical locations is as follows:-

	FYE 2023		FYE 2024		FYE 2025	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Malaysia	85,646	58.70	100,272	63.11	98,200	44.58
Other Asian countries ⁽¹⁾	41,575	28.49	34,283	21.58	69,073	31.36
Europe ⁽²⁾	18,404	12.61	24,316	15.31	49,108	22.29
North America ⁽³⁾	291	0.20	6	*	3,894	1.77
Total revenue	145,916	100.00	158,877	100.00	220,275	100.00

Notes:-

* Negligible.

(1) Comprising mainly Singapore.

(2) Comprising mainly Germany and Austria.

(3) Comprising the USA.

Our revenue for the financial years under review was mainly derived from the Asian region (i.e. Malaysia and other Asian countries), which collectively accounted for more than 75.0% of our total revenue for the financial years under review. Malaysia (being the primary market in which our Group operates) accounted for 58.70%, 63.11% and 44.58% of our total revenue whilst other Asian countries accounted for 28.49%, 21.58% and 31.36% of our total revenue in the FYE 2023, FYE 2024 and FYE 2025 respectively. The overall increase in our revenue from the Asian region was primarily attributable to the overall increase in revenue from Singapore, in particular the increase in revenue contribution from our major customer, Customer B for the provision of hybrid AMHS solution.

11. FINANCIAL INFORMATION (CONT'D)

The remaining of our revenue for the financial years under review was derived from the Europe and North America region, which collectively accounted for 12.81%, 15.31% and 24.06% of our total revenue in the FYE 2023, FYE 2024 and FYE 2025 respectively. The overall increase in our revenue from Europe was primarily due to the increase in revenue from Germany, in particular, the increase in revenue contribution from our major customers, Customer A Group and Customer D Group for the provision of conveyor-based AMHS and ASRS solutions.

Commentary on past performance**FYE 2023 to FYE 2024**

Our revenue increased by 8.88% or RM12.96 million to RM158.88 million in the FYE 2024 (FYE 2023: RM145.92 million), primarily attributable to the increase in revenue from the conveyor-based AMHS segment by 52.69% or RM27.0 million to RM78.24 million in the FYE 2024 (FYE 2023: RM51.24 million). This was mainly due to higher revenue contribution from our major customer, Customer A Group, whose project billings had increased from RM26.91 million in the FYE 2023 to RM50.89 million in the FYE 2024. The increase was mainly attributable to Customer A Group's ongoing expansion of its manufacturing facilities in Kulim, Malaysia and Villach, Austria, which resulted in higher demand for our conveyor-based AMHS solutions to support the installation of new production lines and capacity expansion projects.

However, such increase in revenue was, to a certain extent, offset by the following:-

- decrease in revenue from the hybrid AMHS segment by 15.35% or RM13.20 million to RM72.82 million in the FYE 2024 (FYE 2023: RM86.02 million). This was primarily due to lower revenue contribution from our major customers, Customer B and Customer E for the hybrid AMHS projects (which involved higher technical complexity), where the aggregate project billings from both major customers had decreased from RM85.99 million in the FYE 2023 to RM72.82 million in the FYE 2024. The decrease was mainly attributable to the continuous system enhancements required by Customer B and Customer E during the financial year with the aim to align with their operational specifications and performance objectives ("**Technical Enhancements**"). The Technical Enhancements (which entails, amongst others, design optimisation, module configuration and integration refinements) had necessitated our Group to undertake additional engineering works and adjustments during the financial year ("**Engineering Works**"), which in turn resulted in longer project implementation timelines and lower project billings; and
- decrease in revenue from the ASRS segment by 9.70% or RM0.84 million to RM7.82 million in the FYE 2024 (FYE 2023: RM8.66 million). This was primarily due to the lower project billings in this segment during the FYE 2024, with revenue contributions from Customer I and Customer F Group collectively amounting to RM7.82 million in the FYE 2024. The decrease was also attributed to the completion of the existing ASRS projects with our major customers, Customer A Group and Customer H Group in the FYE 2023. These major customers had previously collectively contributed RM8.35 million, representing approximately 96.42% of our total revenue from the ASRS segment in the FYE 2023.

11. FINANCIAL INFORMATION (CONT'D)**FYE 2024 to FYE 2025**

Our revenue increased by 38.65% or RM61.40 million to RM220.28 million in the FYE 2025 (FYE 2024: RM158.88 million), primarily attributable to the following:-

- higher revenue from the conveyor-based AMHS segment, which increased by 42.33% or RM33.12 million to RM111.36 million in the FYE 2025 (FYE 2024: RM78.24 million). This was mainly due to higher revenue contributions from the following major customers:-
 - (i) Customer D Group, whose project billings had increased from RM3.97 million in the FYE 2024 to RM23.16 million in the FYE 2025, primarily due to new purchase orders secured for conveyor-based AMHS solutions; and
 - (ii) Customer C, whose project billings had increased from RM12.44 million in the FYE 2024 to RM31.10 million in the FYE 2025. The increase was supported by Customer C's ongoing expansion of its manufacturing facilities in Sarawak, Malaysia, which resulted in higher demand for conveyor-based AMHS solutions to support new production lines and capacity expansion projects; and
- higher revenue from the ASRS segment, which increased by 364.96% or RM28.54 million to RM36.36 million in the FYE 2025 (FYE 2024: RM7.82 million). This was mainly due to the revenue contribution from our major customer, Customer A Group amounting to RM34.69 million following the completion of 2 ASRS projects in Kulim, Malaysia and Regensburg, Germany.

The revenue from the hybrid AMHS segment remained relatively consistent at RM72.56 million in the FYE 2025, as compared to RM72.82 million in the FYE 2024.

(ii) Cost of goods sold, GP and GP margin**(a) Cost of goods sold**

The table below sets out our cost of goods sold for the financial years under review:-

	FYE 2023		FYE 2024		FYE 2025	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Raw material consumed ⁽¹⁾	33,460	46.86	45,365	43.06	30,021	29.40
Staff costs ⁽²⁾	22,982	32.18	32,591	30.94	38,614	37.82
Outsource services ⁽³⁾	8,814	12.34	18,584	17.64	23,388	22.90
Transportation costs ⁽⁴⁾	2,925	4.10	4,462	4.24	6,196	6.07
Others ⁽⁵⁾	3,226	4.52	4,346	4.12	3,886	3.81
Total cost of goods sold	71,407	100.00	105,348	100.00	102,105	100.00

Notes:-

- (1) Relates to the cost of raw materials consumed for the provision of our AMHS solutions, which includes materials consumed for our in-house fabrication process (such as aluminium extrusion profile) as well as outsourced parts procured from our third-party fabricators and suppliers (which include less critical parts and standardised critical parts as well as accessories).

The increase in cost of raw materials consumed from RM33.46 million in the FYE 2023 to RM45.37 million in the FYE 2024 was in line with the increase in our revenue. This was mainly contributed by the increase in net purchases of raw materials to fulfil the project requirements, in particular, for Customer B and Customer E in the FYE 2024, whereby our Group was required to undertake additional Engineering Works due to the Technical Enhancements during the financial year.

11. FINANCIAL INFORMATION (CONT'D)

Despite the increase in revenue, our Group had recorded a decrease in cost of raw materials consumed from RM45.37 million in the FYE 2024 to RM30.02 million in the FYE 2025 primarily due to the decrease in net purchases of raw materials to fulfil the project requirements, in particular, our hybrid AMHS project with Customer E, where the additional Engineering Works had been substantially completed in the preceding financial year.

- (2) Comprise salaries, allowances, bonus and defined contribution plan of personnel directly involved in the provision of our AMHS solutions ("**Direct Workforce**").

The increase in staff costs from RM22.98 million in the FYE 2023 to RM32.59 million in the FYE 2024 was mainly due to the increase in our Direct Workforce from 312 personnel in the FYE 2023 to 407 personnel in the FYE 2024. Our staff costs subsequently increased to RM38.61 million in the FYE 2025, which was mainly attributable to the revision in the salary of our Direct Workforce (in line with our business growth) as well as higher bonuses and allowances.

- (3) Comprise outsourced services procured by our Group primarily for the assembly of the AMHS components at our Bayan Lepas Facility as well as installation and commissioning of our AMHS solutions at customers' sites.

The increase in costs of outsourced services from RM8.81 million in the FYE 2023 to RM18.58 million in the FYE 2024 and RM23.39 million in the FYE 2025 was in line with the increase in our revenue. Our Group had procured additional outsourced services for the installation of our AMHS solutions, in particular, for our major customer, Customer B, as the hybrid AMHS project involved Technical Enhancements which required additional Engineering Works.

- (4) Comprise travelling expenses as well as packing expenses and customs duty for the delivery of AMHS components to customers' sites.

The increase in transportation costs from RM2.93 million in the FYE 2023 to RM4.46 million in the FYE 2024 and RM6.20 million in the FYE 2025 was in line with the increase in our revenue. This was primarily due to the increase in travelling expenses incurred from RM2.35 million in the FYE 2023 to RM3.32 million in the FYE 2024 and RM4.93 million in the FYE 2025 for the facilitation of installation and commissioning activities at our customers' site overseas.

- (5) Comprise, amongst others, utilities, depreciation expenses, loose tools costs, consumable and factory expenses as well as insurance charges.

(b) GP and GP margin

The table below sets out our GP and GP margin for the financial years under review:-

	FYE 2023		FYE 2024		FYE 2025	
	GP	GP margin	GP	GP margin	GP	GP margin
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Conveyor-based AMHS	28,513	55.65	34,858	44.55	70,793	63.57
Hybrid AMHS	40,952	47.61	14,915	20.48	22,939	31.61
ASRS	5,044	58.26	3,756	48.02	24,438	67.22
Total overall GP and GP margin	74,509	51.06	53,529	33.69	118,170	53.65

11. FINANCIAL INFORMATION (CONT'D)**Commentary on cost of goods sold, GP and GP margin****FYE 2023 to FYE 2024**

Our overall GP decreased by 28.16% or RM20.98 million to RM53.53 million in the FYE 2024 (FYE 2023: RM74.51 million), in line with the decrease in our overall GP margin to 33.69% in the FYE 2024 (FYE 2023: 51.06%). The decrease was mainly attributable to the decrease in GP margin for the hybrid AMHS segment to 20.48% in the FYE 2024 (FYE 2023: 47.61%), which was mainly attributable to:-

- lower project billings from the hybrid AMHS projects undertaken for our major customers, Customer B and Customer E due to the additional Engineering Works undertaken by our Group arising from the Technical Enhancements. Such additional works undertaken during the financial year had led to longer project implementation timelines which in turn affected the timing of project billings, as certain project activities completed during the financial year were not recognised as revenue in the FYE 2024, notwithstanding that substantial engineering works had been carried out; and
- higher costs of raw materials consumed and outsource services incurred by our Group due to additional Engineering Works undertaken during the financial year in respect of the hybrid AMHS projects. These Engineering Works were undertaken with the aim to further enhance the technical specifications and design configurations of the hybrid AMHS solutions with the objective of improving system performance and manufacturing yields ("**Refinements**"). Given that these Refinements formed part of project execution and were not separately reflected in our billings, the related costs were hence borne by our Group.

FYE 2024 to FYE 2025

Our overall GP increased by 120.75% or RM64.64 million to RM118.17 million in the FYE 2025 (FYE 2024: RM53.53 million), in line with the increase in our overall GP margin to 53.65% in the FYE 2025 (FYE 2024: 33.69%). This was mainly attributable to the following:-

- increase in GP margin for the conveyor-based AMHS segment to 63.57% in the FYE 2025 (FYE 2024: 44.55%), primarily due to increased purchase orders from our major customers, which requires higher customisation and technical refinement after taking into consideration, amongst others, the facility layout and the length of the conveyor as well as routing configuration; and
- increase in GP margin for the ASRS segment to 67.22% in the FYE 2025 (FYE 2024: 48.02%), primarily due to increased purchase orders from our major customers, which requires higher customisation, in particular, in terms of the storage length, spatial configuration and ceiling height integration.

Both the conveyor-based AMHS and ASRS segments had benefited from higher engineering input and billing values relative to raw materials and fabrication costs, thereby resulting in higher overall GP margin for our Group.

11. FINANCIAL INFORMATION (CONT'D)**(iii) Other income**

The table below sets out our other income for the financial years under review:-

	FYE 2023		FYE 2024		FYE 2025	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Interest income ⁽¹⁾	782	16.09	1,532	21.82	2,344	80.33
Realised gain on foreign exchange ⁽²⁾	4,035	83.01	5,241	74.64	-	-
Others ⁽³⁾	44	0.90	249	3.54	574	19.67
Total other income	4,861	100.00	7,022	100.00	2,918	100.00

Notes:-

- (1) Relates to the interest income derived from deposits placed with licensed banks.
- (2) Relates to the gain arising from the favourable exchange rate of RM against foreign currencies.
- (3) Comprise, amongst others, fair value gain on financial instruments, government grants and gain on disposal of property, plant and equipment.

Commentary on other income**FYE 2023 to FYE 2024**

Our other income increased by 44.44% or RM2.16 million to RM7.02 million in the FYE 2024 (FYE 2023: RM4.86 million), mainly due to the following:-

- the increase in interest income of RM1.53 million in the FYE 2024 (FYE 2023: RM0.78 million), representing an increase of 96.15% or RM0.75 million, primarily attributable to higher interest income earned on deposits placed with licensed banks arising from higher cash and cash equivalents held by our Group in the FYE 2024; and
- the increase in realised gain on foreign exchange of RM5.24 million in the FYE 2024 (FYE 2023: RM4.04 million), representing an increase of 29.70% or RM1.20 million, primarily arising from favourable currency movements between RM and USD.

FYE 2024 to FYE 2025

Our other income decreased by 58.40% or RM4.10 million to RM2.92 million in the FYE 2025 (FYE 2024: RM7.02 million), mainly due to the absence of realised gain on foreign exchange in the FYE 2025 (FYE 2024: RM5.24 million), following the strengthening of RM against the foreign currencies (in particular, USD) during the financial year.

The decrease was partially offset by the increase in interest income, which had increased by 52.94% or RM0.81 million to RM2.34 million in the FYE 2025 (FYE 2024: RM1.53 million). The increase was primarily attributable to higher interest income earned on deposits placed with licensed banks arising from higher cash and cash equivalents held by our Group in the FYE 2025.

11. FINANCIAL INFORMATION (CONT'D)**(iv) Administrative and general expenses**

The table below sets out our administrative and general expenses during the financial years under review:-

	FYE 2023		FYE 2024		FYE 2025	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Employees' benefits expenses ⁽¹⁾	13,782	65.36	16,950	61.21	18,360	56.76
Realised loss on foreign exchange ⁽²⁾	*	*	-	-	3,960	12.24
Depreciation and amortisation ⁽³⁾	2,205	10.46	2,877	10.39	2,854	8.83
Professional fees ⁽⁴⁾	565	2.68	3,012	10.88	2,061	6.37
Licence fees ⁽⁵⁾	1,053	4.99	1,575	5.69	1,247	3.86
Insurance ⁽⁶⁾	682	3.24	701	2.53	799	2.47
Others ⁽⁷⁾	2,799	13.27	2,576	9.30	3,064	9.47
Total administrative and general expenses	21,086	100.00	27,691	100.00	32,345	100.00

Notes:-

* Negligible.

- (1) Relate to Directors' remuneration and administrative staffs' salaries, wages, bonuses, employees' contributions and other employees' benefits.
- (2) Relates to the loss arising from the unfavourable exchange rate of RM against foreign currencies.
- (3) Relate to the depreciation of our property, plant and equipment, right-of-use assets and amortisation of intangible assets.
- (4) Comprise fees incurred for, amongst others, legal, consultation, taxation, audit, secretarial and other related professional services.
- (5) Comprise annual licence fees for software subscriptions and other licenced tools used for the design and delivery of our AMHS solutions.
- (6) Comprise insurance premiums for general business insurance and property insurance maintained by our Group.
- (7) Comprise, amongst others, unrealised loss on foreign exchange, lease expenses, subscription fee, utilities and withholding tax expenses.

Commentary on administrative and general expenses**FYE 2023 to FYE 2024**

Our Group recorded higher administrative and general expenses of RM27.69 million in the FYE 2024 (FYE 2023: RM21.09 million), representing an increase of 31.29% or RM6.60 million. This was mainly due to:-

- increase in employees' benefits expenses by 23.0% or RM3.17 million to RM16.95 million in the FYE 2024 (FYE 2023: RM13.78 million), primarily due to the increase in our headcount from 61 personnel in the FYE 2023 to 83 personnel in the FYE 2024;
- increase in professional fees by 428.07% or RM2.44 million to RM3.01 million in the FYE 2024 (FYE 2023: RM0.57 million), primarily due to higher legal fees incurred during the financial year for the transfer of Bayan Lepas Factory 1 from our previous subsidiary, Orthomedic Medical Devices Sdn Bhd, to SASB. Orthomedic Medical Devices Sdn Bhd was disposed to a non-related party in March 2025;

11. FINANCIAL INFORMATION (CONT'D)

- increase in depreciation and amortisation expenses by 30.32% or RM0.67 million to RM2.88 million in the FYE 2024 (FYE 2023: RM2.21 million), mainly due to the purchase of machinery amounting to RM1.78 million in the FYE 2024; and
- increase in licence fees by 50.48% or RM0.53 million to RM1.58 million in the FYE 2024 (FYE 2023: RM1.05 million), mainly due to the renewal and additional subscriptions of software licences relating to engineering and enterprise resource planning systems to support our operations.

FYE 2024 to FYE 2025

Our Group recorded higher administrative and general expenses of RM32.35 million in the FYE 2025 (FYE 2024: RM27.69 million), representing an increase of 16.83% or RM4.66 million. This was mainly due to:-

- increase in employees' benefits expenses by 8.32% or RM1.41 million to RM18.36 million in the FYE 2025 (FYE 2024: RM16.95 million), primarily due to the revision in our overall employees' remuneration package in line with our business growth; and
- realised loss foreign exchange amounting to RM3.96 million recorded in the FYE 2025 (FYE 2024: nil), arising from the strengthening of RM against the foreign currencies (in particular, USD) during the financial year,

which was partially offset by the decrease in licence fees by 20.89% or RM0.33 million to RM1.25 million in the FYE 2025 (FYE 2024: RM1.58 million).

(v) Selling and distribution expenses

The table below sets out our selling and distribution expenses during the financial years under review:-

	FYE 2023		FYE 2024		FYE 2025	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Carriage outwards ⁽¹⁾	307	57.60	312	55.81	228	52.66
Others ⁽²⁾	226	42.40	247	44.19	205	47.34
Total selling and distribution expenses	533	100.00	559	100.00	433	100.00

Notes:-

- (1) Relate to shipment costs incurred for the transportation of AMHS components to our customers' sites.
- (2) Comprise insurance expenses related to coverage of shipment against loss or damage during transit and entertainment expenses.

Commentary on selling and distribution expenses**FYE 2023 to FYE 2024**

Our selling and distribution expenses were relatively consistent at RM0.56 million in the FYE 2024 as compared to RM0.53 million in the FYE 2023.

FYE 2024 to FYE 2025

Our selling and distribution expenses were relatively consistent at RM0.43 million in the FYE 2025 as compared to RM0.56 million in the FYE 2024.

11. FINANCIAL INFORMATION (CONT'D)**(vi) PBT and PBT margin**

The table below sets out our PBT and PBT margin for the financial years under review:-

	FYE 2023	FYE 2024	FYE 2025
PBT (RM'000)	57,604	32,264	88,287
PBT margin (%)	39.48	20.31	40.08

Commentary on PBT and PBT margin**FYE 2023 to FYE 2024**

Our Group recorded a lower PBT of RM32.26 million in the FYE 2024 (FYE 2023: RM57.60 million), representing a decrease of 43.99% or RM25.34 million. Accordingly, our PBT margin decreased from 39.48% in the FYE 2023 to 20.31% in the FYE 2024. This was mainly due to the following:-

- the decrease in our overall GP margin recorded in the FYE 2024 as compared to the FYE 2023, which was due to the factors set out in **Section 11.3.2(ii)(b)** of this Prospectus; and
- the increase in administrative and general expenses by 31.29% or RM6.60 million to RM27.69 million in the FYE 2024 (FYE 2023: RM21.09 million),

which was partially offset by higher other income amounting to RM7.02 million in the FYE 2024 (FYE 2023: RM4.86 million).

FYE 2024 to FYE 2025

Our Group recorded a higher PBT of RM88.29 million in the FYE 2025 (FYE 2024: RM32.26 million), representing an increase of 173.68% or RM56.03 million. Accordingly, our PBT margin increased from 20.31% in the FYE 2024 to 40.08% in the FYE 2025, in line with the growth in our overall GP margin recorded in the FYE 2025 as compared to the FYE 2024, which was due to the factors set out in **Section 11.3.2(ii)(b)** of this Prospectus.

The increase was partially offset by the following:-

- the increase in administrative and general expenses by 16.83% or RM4.66 million to RM32.35 million in the FYE 2025 (FYE 2024: RM27.69 million); and
- the decrease in other income by 58.40% or RM4.10 million to RM2.92 million in the FYE 2025 (FYE 2024: RM7.02 million).

(vii) Tax expense

The table below sets out the effective tax rate and statutory tax rate for the financial years under review:-

	FYE 2023	FYE 2024	FYE 2025
	(RM'000)	(RM'000)	(RM'000)
Tax expense	14,738	3,319	22,125
PBT	57,604	32,264	88,287
Statutory tax rate (%)	24.00	24.00	24.00
Effective tax rate (%) ⁽¹⁾	25.59	10.29	25.06

11. FINANCIAL INFORMATION (CONT'D)**Note:-**

(1) Calculated based on the tax expense over PBT for the respective financial years under review.

Our effective tax rate for the financial years under review was generally close to the statutory tax rate, save for the FYE 2024. The lower effective tax rate in the FYE 2024 was primarily attributable to a tax refund of RM4.70 million received and recognised during the financial year.

This tax refund arose from revisions to our income tax submissions for the FYE 2018 and FYE 2019 following confirmation of tax incentives in the form of pioneer status for the said financial years. It should be noted that we had initially submitted the income tax returns for the FYE 2018 and FYE 2019 without taking the pioneer status into account and had paid the corresponding income taxes in full. In 2020, our Group received confirmation from the MITI that the pioneer status took effect from 3 April 2017, following which revised income tax returns for the FYE 2018 and the FYE 2019 were submitted. The Inland Revenue Board of Malaysia (LHDN) subsequently approved the revised submissions, and the overpaid income taxes were refunded to our Group in the FYE 2024.

(viii) PAT and PAT margin

The table below sets out our PAT and PAT margin for the financial years under review:-

	FYE 2023	FYE 2024	FYE 2025
PAT (RM'000)	42,866	28,945	66,162
PAT margin (%)	29.38	18.22	30.04

Commentary on PAT and PAT margin**FYE 2023 to FYE 2024**

Our Group recorded a lower PAT of RM28.95 million in the FYE 2024 (FYE 2023: RM42.87 million), representing a decrease of 32.47% or RM13.92 million. As a result, our PAT margin declined from 29.38% in the FYE 2023 to 18.22% in the FYE 2024, which was in line with the decrease in our overall GP margin and PBT margin.

FYE 2024 to FYE 2025

Our Group recorded a higher PAT of RM66.16 million in the FYE 2025 (FYE 2024: RM28.95 million), representing an increase of 128.53% or RM37.21 million. As a result, our PAT margin improved from 18.22% in the FYE 2024 to 30.04% in the FYE 2025, which was in line with the increase in our overall GP margin and PBT margin.

11. FINANCIAL INFORMATION (CONT'D)

11.3.3 Significant factors affecting our financial position and results of operations

Our Group's financial condition and financial performance may be affected by the following key factors:-

(i) Absence of long-term contracts

We provide our AMHS solutions on a project-by-project basis, and our sales are transacted through purchase orders. While certain projects may be governed by project specific agreements due to their scope and technical complexity, such agreements are generally entered into with the aim to define project specifications and commercial terms, and do not provide for long-term supply arrangements or contractual commitments that assure recurring orders or fixed volumes of continuous purchases from our customers. As a result thereof, the absence of such long-term commitments or long-term agreements exposes our Group to the risk of uncertainty in securing repeat orders or sustaining the same level of engagement with our existing customers. This reduces the visibility of our future earnings and subjects our financial performance to fluctuations in customer procurement cycles.

Please refer to **Section 4.1.1** of this Prospectus for further details on our risk due to absence of long-term contracts.

(ii) We are dependent on customers operating in the semiconductor industry, which exposes us to customer concentration risks

We primarily derive our revenue from customers operating within the semiconductor industry. Our major customers (who operate in the semiconductor industry) contributed to more than 90.0% of our total revenue during the financial years under review, reflecting a high degree of industry and customer concentration. In particular, our major customers, namely Customer A Group, Customer B and Customer E had each contributed to more than 20.0% of our Group's total revenue for one or more years during the financial years under review. As such, we are materially dependent on a limited number of major customers within the semiconductor industry, in particular, Customer A Group, Customer B and Customer E for a significant portion of our Group's revenue.

There is no assurance that these customers will continue to engage us for new projects, maintain existing project scopes or procure our solutions at similar levels over time. Any reduction, delay, suspension, non-renewal or termination of projects or the absence of new project engagements by one or more of our customers within the semiconductor industry could materially and adversely affect our Group's revenue, project order book and financial performance.

Please refer to **Section 4.1.2** of this Prospectus for further details on our risk due to our dependence on customers operating in the semiconductor industry.

11. FINANCIAL INFORMATION (CONT'D)

(iii) **Our project-based business model and billing cycle may result in fluctuations in revenue, profitability and operating performance**

Our business operates on a project-by-project basis, with each AMHS solutions project involving multiple stages of execution, including system design, sourcing and fabrication of AMHS components, pre-installation preparation, on-site installation and commissioning, as well as customers' acceptance. The timing, scale and technical complexity of individual projects vary significantly depending on customer-specific requirements, system configuration and the site conditions of our customer's production area (which includes, amongst others, the site layout and readiness of the production environment). As a result thereof, the scale of the project together with the timing of project completion as well as customers' acceptance may vary materially between projects and financial periods.

Consequently, any delay in, or deferral of, the completion and acceptance of one or more projects with higher contract values, longer execution timelines or greater technical complexity, whether arising from project-specific factors or circumstances beyond our direct control (which may include customer's site readiness and evolving customer requirements that necessitate refinements to system design, fabrication of additional or modified components or system optimisation) could have a disproportionate adverse impact on our Group's revenue and overall GP margins in any given quarter or financial year.

Please refer to **Section 4.1.3** of this Prospectus for further details on our risks relating to the project-based business model and billing cycle which may result in fluctuations in revenue, profitability and operating performance.

(iv) **Dependency on our Executive Directors, key senior management and skilled engineers**

Our success and performance are closely tied to our ability to attract and retain key senior management and skilled engineers who possess the necessary technical expertise and engineering capabilities across system design, R&D, project management, fabrication, installation and commissioning as well as sales engineering functions.

Given that our business is fundamentally driven by engineering capabilities with engineering functions underpinning our solution design, customisation, project execution and system delivery, our future growth and success depend, to a significant extent, on the continued service of our skilled and experienced engineers. The loss of any of our engineers simultaneously or within a short span of time without any suitable and timely replacements could disrupt our operations and, in turn, negatively affect our financial performance.

Please refer to **Sections 4.1.4** and **4.1.5** of this Prospectus for further details on our risk on dependency on our skilled engineers as well as our Executive Directors and key senior management.

(v) **Fluctuations in foreign exchange rates**

We are exposed to fluctuations in foreign exchange rates arising from our revenue (which is entirely denominated in USD) and our purchases (which are denominated in RM, USD, SGD, EUR, JPY and RMB). As such, any adverse movements in the foreign exchange rates between RM and the foreign currencies may have an adverse impact on our financial performance.

Please refer to **Sections 4.1.7** and **11.3.6** of this Prospectus for further details on the impact of fluctuations in foreign exchange rates on our financial performance.

11. FINANCIAL INFORMATION (CONT'D)**11.3.4 Order book**

As at the LPD, our total secured orders are approximately RM280.20 million, the details of which are as follows:-

	RM'000
Total secured orders as at the LPD	280,202
Billed orders as at the LPD	162,499
Unbilled orders as at the LPD	117,703

The unbilled orders stood at RM117.70 million as at the LPD, of which RM67.32 million is expected to be billed in the FYE 2026 whilst the balance of RM50.38 million is expected to be billed progressively in the subsequent financial year.

11.3.5 Significant changes

There are no significant changes that have occurred, which may have a material effect on our financial position and results subsequent to the FYE 2025 and up to the LPD.

11.3.6 Impact of foreign exchange rate

Our exposure to foreign exchange fluctuations, in particular movements of USD against RM, arises due to the following factors:-

- (i) our revenue is entirely denominated in USD, while a portion of our purchases is also denominated in USD. Our USD-denominated purchases accounted for 29.03%, 26.09% and 18.33% of our total purchases for the FYE 2023, FYE 2024 and FYE 2025 respectively. As our functional and presentation currency is RM, fluctuations in RM against USD may affect our reported revenue, cost base, margins and overall financial performance; and
- (ii) the functional currency of our Company is RM, whereas our subsidiary, SACO, has USD as its functional currency. In accordance with the Act, our consolidated financial statements are presented in RM. Further details on our Group's functional and presentation currency are set out in **Note 24.1** of the Accountants' Report as set out in **Section 12** of this Prospectus.

Accordingly, the financial results and financial position of SACO are translated into RM using the following principles:-

- (a) assets and liabilities in the statement of financial position are translated at the closing foreign currency exchange rates at the reporting date;
- (b) income and expenses for each profit or loss item are translated at the average foreign currency exchange rates; and
- (c) all resulting foreign currency exchange differences are recognised as a separate component in other comprehensive income.

It should hence be noted that material volatility in foreign exchange rates may give rise to translation differences at the consolidated financial statement level, which may impact the reported equity and comprehensive income of our Group. While such translation differences are non-cash in nature, fluctuations in foreign exchange rates may nonetheless indirectly affect the cash flow and financial position of our Group, in particular, where there are timing mismatches between foreign-currency receipts and RM-denominated expenditures or liquidity requirements.

11. FINANCIAL INFORMATION (CONT'D)

Our Group is exposed to foreign exchange gains or losses arising primarily from timing differences between billings or invoices issued to customers and the actual receipt of cash, as well as timing differences between invoices received from suppliers and the settlement of such payables. The impact of foreign exchange fluctuations on the earnings of our Group for the financial years under review are as set out below:-

	FYE 2023	FYE 2024	FYE 2025
	(RM'000)	(RM'000)	(RM'000)
Realised gain/(loss) on foreign exchange	4,035	5,241	(3,960)
Unrealised loss on foreign exchange	(601)	(167)	(282)
Net gain/(loss) on foreign exchange	3,434	5,074	(4,242)
Percentage of net gain/(loss) on foreign exchange over PBT (%)	5.96	15.73	(4.80)

Our Group does not presently utilise any formal financial instruments to hedge against fluctuations in foreign exchange rates. Foreign exchange exposure is managed primarily through operational and liquidity measures, with our management monitoring foreign currency positions and cash flow requirements in the ordinary course of business.

In the event that the foreign exchange exposure increases to a level that could significantly impact the earnings of our Group, we may, subject to prevailing market conditions and internal governance processes, consider the use of derivative instruments with licensed banking institutions to mitigate potential earnings volatility.

11.3.7 Impact of interest rates

Our financial performance for the financial years under review was not materially affected by fluctuations in interest rates as our Group has no bank borrowings during the financial years under review.

11.3.8 Impact of government, economic, fiscal or monetary policies

There were no government, economic, fiscal or monetary policies or factors which have significant effect on our business operations for the financial years under review.

11.4 Liquidity and capital resources**11.4.1 Working capital**

Our working capital is funded through a combination of cash generated from our operating activities as well as cash and cash equivalents. Our principal sources of liquidity as at 31 March 2025 are set out below:-

	RM'000
Cash and cash equivalents	60,317
Net cash from operating activities	35,271

As at the LPD, we have no bank borrowings whilst our Group recorded cash and bank balances of approximately RM91.99 million and unutilised banking facility of approximately RM25.50 million.

11. FINANCIAL INFORMATION (CONT'D)

Based on the above and after taking into consideration the cash and cash equivalents, the expected profits to be generated from our operations, amount available under our existing banking facilities, our expected future cash flows from operations as well as proceeds expected to be raised from the Public Issue, our Board is of the opinion that we will have sufficient working capital to meet our present and foreseeable requirements for at least a period of 12 months from the date of this Prospectus.

11.4.2 Cash flows

The table below sets out the summary of our consolidated statements of cash flows for the financial years under review and should be read in conjunction with the Accountants' Report as set out in **Section 12** of this Prospectus:-

	Audited		
	FYE 2023	FYE 2024	FYE 2025
	(RM'000)	(RM'000)	(RM'000)
Net cash from operating activities	19,351	23,879	35,271
Net cash used in investing activities	(10,765)	(4,694)	(605)
Net cash from/(used in) financing activities	1,756	(4,942)	⁽¹⁾ (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	33,273	47,983	60,317
Cash and cash equivalents comprise the following:-			
Cash and bank balances	5,268	6,282	41,975
Term deposits	28,005	41,701	18,342
	33,273	47,983	60,317

Note:-

(1) Includes the dividend of RM21.23 million paid in respect of the FYE 2025.

There are no legal, financial or economic restrictions on the ability of our subsidiaries to transfer/receive funds to/from our Company, subject to availability of distributable reserves and compliance with financial covenants, in the form of cash dividends, loans or advances.

Commentary on cash flows**FYE 2023****Net cash from operating activities**

We recorded net cash from operating activities of RM19.35 million for the FYE 2023. Operating profit before working capital changes of RM60.32 million was adjusted downward for net changes in working capital of RM29.55 million, which was mainly attributable to the following:-

- decrease in contract liabilities by RM23.73 million as revenue was recognised upon completion of the project milestones in relation to the hybrid AMHS project for Customer B; and
- increase in inventories by RM16.24 million mainly due to the increase in purchase of raw materials for our provision of AMHS solutions,

11. FINANCIAL INFORMATION (CONT'D)

which was to a certain extent offset by the following:-

- increase in payables by RM8.85 million mainly due to the increase in trade payables resulting from higher purchases of inventories; and
- decrease in receivables by RM1.89 million mainly due to higher collections from our customers.

In addition, we paid tax of RM12.22 million in the FYE 2023.

Net cash used in investing activities

We recorded net cash used in investing activities of RM10.77 million for the FYE 2023, which was attributable to cash payment for the purchase of property, plant and equipment primarily comprising machinery, computers, factory equipment and motor vehicles as well as capital work-in-progress relating to the construction of our Bayan Lepas Factory 2 to support our business expansion.

Net cash from financing activities

We recorded net cash from financing activities of RM1.76 million in the FYE 2023, which was primarily attributable to the withdrawal of term deposits pledged as security of RM2.12 million. This was to a certain extent offset by the repayment of lease liabilities and interest payment amounting to RM0.22 million and RM0.15 million respectively relating to lease payments for our staff hostels.

FYE 2024

Net cash from operating activities

We recorded net cash from operating activities of RM23.88 million in the FYE 2024. Operating profit before working capital changes of RM34.68 million was adjusted upward for net changes in working capital of RM2.94 million, which was mainly attributable to the following:-

- increase in contract liabilities by RM19.31 million, arising from the upfront payment received from our major customer, Customer B for the hybrid AMHS project undertaken; and
- increase in payables by RM1.06 million mainly due to the increase in trade payables resulting from higher purchases of inventories,

which was to a certain extent offset by the following:-

- increase in receivables by RM12.22 million mainly, due to the increase in trade receivables in line with the growth in our revenue;
- increase in inventories by RM2.82 million, mainly due to the increase in purchase of raw materials for our provision of AMHS solutions; and
- increase in prepayments by RM2.37 million, mainly due to the payment made in advance for listing expenses related to our IPO.

In addition, we paid tax of RM15.68 million in the FYE 2024.

11. FINANCIAL INFORMATION (CONT'D)

Net cash used in investing activities

We recorded net cash used in investing activities of RM4.69 million in the FYE 2024, which was mainly attributable to cash payment of RM4.76 million for the purchase of property, plant and equipment primarily comprising machinery, computers and factory equipment as well as capital work-in-progress relating to the installation of a solar power system to support our business operations. This was partially offset by cash receipt of RM0.07 million from the disposal of a motor vehicle.

Net cash used in financing activities

We recorded net cash used in financing activities of RM4.94 million for the FYE 2024, which was primarily attributable to the following:-

- dividend payment of RM4.47 million in respect of the FYE 2024; and
- repayment of lease liabilities and interest payment amounting to RM0.44 million and RM0.04 million respectively relating to lease payments for our staff hostels.

FYE 2025

Net cash from operating activities

We recorded net cash from operating activities of RM35.27 million for the FYE 2025. Operating profit before working capital changes of RM91.64 million was adjusted downward for net changes in working capital of RM42.68 million, which was mainly attributable to the following:-

- increase in receivables by RM26.40 million mainly due to the increase in trade receivables in line with the growth in our revenue;
- decrease in contract liabilities by RM14.19 million as revenue was recognised following the completion of the project milestones in relation to the hybrid AMHS project for Customer B; and
- decrease in payables by RM6.70 million mainly due to the decrease in trade payables resulting from the settlement of outstanding trade balances and lower purchases of inventories,

which was to a certain extent offset by the following:-

- decrease in inventories by RM3.62 million, mainly due to the utilisation of inventories for our AMHS projects and lower purchases of inventories as a significant portion of project activities had shifted towards the installation and commissioning stages; and
- decrease in prepayments by RM0.98 million, mainly due to the utilisation of the prepaid purchases of raw materials for our AMHS projects.

In addition, we paid tax of RM16.09 million in the FYE 2025.

Net cash used in investing activities

We recorded net cash used in investing activities of RM0.61 million for the FYE 2025, which was mainly attributable to cash payment of RM0.58 million for the purchase of property, plant and equipment primarily comprising computers and factory equipment to support our business operations.

11. FINANCIAL INFORMATION (CONT'D)**Net cash used in financing activities**

We recorded net cash used in financing activities of RM21.72 million for the FYE 2025, which was primarily attributable to the following:-

- dividend payments of RM21.23 million in respect of the FYE 2025; and
- repayment of lease liabilities and interest payment amounting to RM0.47 million and RM0.02 million respectively relating to lease payments for our staff hostels.

11.4.3 Capitalisation and indebtedness

The table below summarises the capitalisation and indebtedness of our Group as at 31 October 2025, and after taking into account the Public Issue as well as the utilisation of proceeds as set out in **Section 3.5** of this Prospectus. The pro forma financial information below does not represent our Group's actual capitalisation and indebtedness as at 31 October 2025 and is provided for illustration purposes only.

	Unaudited as at 31 October 2025	Pro forma I After the Pre-IPO Restructuring	Pro forma II After pro forma I and the Public Issue	Pro forma III After pro forma II and utilisation of IPO proceeds
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Capitalisation				
Total shareholders' equity	185,557	185,557	[•]	[•]
Total capitalisation	185,557	185,557	[•]	[•]
Indebtedness				
<u>Unsecured</u>				
Lease liabilities				
- Current	165	165	[•]	[•]
- Non-current	-	-	[•]	[•]
Total indebtedness	165	165	[•]	[•]
Total indebtedness (Excluding lease liabilities recognised under MFRS 16)	-	-	[•]	[•]
Total capitalisation and indebtedness (Excluding lease liabilities recognised under MFRS 16)	185,557	185,557	[•]	[•]
Gearing ratio (times)⁽¹⁾	-	-	[•]	[•]

Note:-

(1) Calculated based on total indebtedness (excluding lease liabilities recognised under MFRS 16) divided by total capitalisation.

11.4.4 Borrowings

Our Group does not have any bank borrowings for the financial years under review.

11. FINANCIAL INFORMATION (CONT'D)**11.4.5 Material capital commitments**

There are no material capital commitments incurred or to be incurred by us that have not been provided for which, upon becoming enforceable, may have a material impact on our financial results or financial position as at the LPD.

11.4.6 Material investments and divestitures

Save as disclosed in **Section 5.8** of this Prospectus, there have not been any material investments and divestitures undertaken by our Group for the financial years under review.

11.4.7 Material litigation or claims

As at the LPD, neither our Company nor our subsidiaries are engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability, in the 12 months immediately preceding the date of this Prospectus.

11.4.8 Contingent liabilities

As at the LPD, there are no material contingent liabilities which upon becoming enforceable may have a material impact on the financial position of our Group.

11.4.9 Key financial ratios

	FYE 2023	FYE 2024	FYE 2025
Trade receivables turnover period (days) ⁽¹⁾	115	117	116
Trade payables turnover period (days) ⁽²⁾	32	37	29
Inventory turnover period (days) ⁽³⁾	79	87	86
Current ratio (times) ⁽⁴⁾	5.01	3.76	9.67
Gearing ratio (times) ⁽⁵⁾	-	-	-

Notes:-

- (1) Computed based on the average closing balance of trade receivables divided by revenue for the respective financial year multiplied by number of days in the respective financial year. Average closing balance was derived based on the sum of the closing balance of the previous financial year and closing balance of the financial year divided by 2.
- (2) Computed based on the average closing balance of trade payables divided by cost of goods sold for the respective financial year multiplied by number of days in the respective financial year. Average closing balance was derived based on the sum of the closing balance of the previous financial year and closing balance of the financial year divided by 2.
- (3) Computed based on the average closing balance of inventory divided by cost of goods sold for the respective financial year multiplied by number of days in the respective financial year. Average closing balance was derived based on the sum of the closing balance of the previous financial year and closing balance of the financial year divided by 2.
- (4) Computed based on current assets over current liabilities.
- (5) Computed based on total borrowings (excluding lease liabilities recognised under MFRS 16) over total equity.

11. FINANCIAL INFORMATION (CONT'D)**Commentary on key financial ratios****(i) Trade receivables turnover period**

Our trade receivables are based on the amount billed to our customers. As such, the trade receivables turnover period is based on the total gross billing to our customers.

A summary of our trade receivables turnover period for the financial years under review is set out as follows:-

	FYE 2023	FYE 2024	FYE 2025
	(RM'000)	(RM'000)	(RM'000)
Opening trade receivables	47,328	44,480	57,019
Closing trade receivables	44,480	57,019	83,427
Average trade receivables	45,904	50,750	70,223
Revenue	145,916	158,877	220,275
Trade receivables turnover period (days)⁽¹⁾	115	117	116

Note:-

(1) Computed based on the average closing balance of trade receivables divided by revenue for the respective financial year multiplied by number of days in the respective financial year.

The normal credit period granted by our Group to our customers typically ranges from 60 days to 90 days. Other credit terms extended to customers are assessed and approved by our management on a case-by-case basis, taking into consideration factors such as our relationship with our customers as well as the customers' financial position, payment history and creditworthiness.

Our Group recorded trade receivables turnover period of 115 days, 117 days and 116 days in the FYE 2023, FYE 2024 and FYE 2025 respectively. The trade receivables turnover period which had exceeded the typical credit terms of 60 to 90 days was primarily due to the project-based nature of our business where payments are generally made by our customers (most of which are part of global semiconductor groups) only upon the successful completion of final quality inspection and acceptance procedures. These procedures are often stringent and may be prolonged before the invoices are fully settled due to coordination with customers' internal verification processes, documentation requirements and scheduling of on-site testing and approval, all of which may extend the time required for payment certification and settlement. Consequently, this results in longer collection cycle beyond standard credit timelines.

Our Group will assess the collectability of trade receivables on an individual and collective customer basis and impairment will be made for customers where recoverability is uncertain, based on our past dealings with the customers and current and forward-looking economic conditions. Further, for any trade receivables which have exceeded the credit period, our Group will follow up with the customers on the outstanding receivables, and where appropriate, provide for specific impairment on those trade receivables where recoverability is uncertain based on our dealings with these customers.

Our Group has not experienced any challenges in recovering trade receivables and has not recorded any bad debts for the financial years under review.

11. FINANCIAL INFORMATION (CONT'D)**Ageing analysis of trade receivables as at 31 March 2025**

As at 31 March 2025, our total trade receivables amounting to RM83.43 million can be analysed as follows:-

	Within credit period	Exceed credit period				Total
		1-30 days	31-60 days	61-90 days	>90 days	
Trade receivables (RM'000)	57,561	9,514	660	818	14,874	83,427
Percentage of total trade receivables (%)	69.00	11.40	0.79	0.98	17.83	100.00
Subsequent collections as at the LPD (RM'000)	(52,312)	(9,210)	(52)	-	(7,085)	(68,659)
Outstanding trade receivables after subsequent collections (RM'000)	5,249	304	608	818	7,789	14,768

As at 31 March 2025, our total trade receivables stood at RM83.43 million, of which RM25.87 million or 31.0% exceeded the normal credit period.

As at the LPD, our Group has collected RM68.66 million or 82.30% of the total trade receivables outstanding as at 31 March 2025.

Our Board is of the view that the remaining trade receivables balances as at the LPD are recoverable after taking into consideration our relationships with these customers as well as credit control measures implemented by our Group to minimise the incidence of customers' default.

(ii) Trade payables turnover period

Our trade payables represent the outstanding amounts payable by our Group to our suppliers. The normal credit terms granted by our suppliers typically ranges from 30 days to 90 days.

A summary of our trade payables turnover period (which comprise primarily of payments due to the outsource service providers) for the financial years under review is set out as follows:-

	FYE 2023	FYE 2024	FYE 2025
	(RM'000)	(RM'000)	(RM'000)
Opening trade payables	2,728	9,755	11,556
Closing trade payables	9,755	11,556	4,704
Average trade payables	6,242	10,656	8,130
Cost of goods sold	71,407	105,348	102,105
Trade payables turnover period (days)⁽¹⁾	32	37	29

Note:-

(1) Computed based on the average closing balance of trade payables divided by cost of goods sold for the respective financial year multiplied by number of days in the respective financial year.

Our Group recorded trade payables turnover period of 32 days, 37 days and 29 days in the FYE 2023, FYE 2024 and FYE 2025 respectively, all of which are within the credit period granted by our suppliers.

As at the LPD, there is no dispute in respect of trade payables and no legal action initiated by our suppliers to demand for payment.

11. FINANCIAL INFORMATION (CONT'D)**Ageing analysis of trade payables as at 31 March 2025**

As at 31 March 2025, our total trade payables amounting to RM4.70 million which can be analysed as follows:-

	Within credit period	Exceed credit period				Total
		1-30 days	31-60 days	61-90 days	>90 days	
Trade payables (RM'000)	3,393	1,227	83	-	1	4,704
Percentage of total trade payables (%)	72.13	26.08	1.77	-	0.02	100.00
Subsequent payments as at the LPD (RM'000)	(3,393)	(1,227)	(83)	-	(1)	(4,704)
Outstanding trade payables after subsequent payments (RM'000)	-	-	-	-	-	-

As at 31 March 2025, our total trade payables stood at RM4.70 million, of which RM1.31 million or 27.87% exceeded the normal credit period.

As at the LPD, our Group has paid all of the total trade payables outstanding as at 31 March 2025.

(iii) Inventory turnover period

Our inventories mainly comprise raw materials and WIP for the provision of our AMHS solutions. These inventories are maintained at levels deemed adequate to meet customers demand (in particular, for project-based deliveries that may require longer lead times) to support our operations and fulfilment of purchase orders.

A summary of our inventory turnover period for the financial years under review is set out as follows:-

	FYE 2023	FYE 2024	FYE 2025
	(RM'000)	(RM'000)	(RM'000)
Opening inventory	7,338	23,577	26,397
Closing inventory	23,577	26,397	21,567
Average inventory	15,458	24,987	23,982
Cost of goods sold	71,407	105,348	102,105
Inventory turnover period (days)⁽¹⁾	79	87	86

Note:-

(1) Computed based on the average closing balance of inventory divided by cost of goods sold for the respective financial year multiplied by number of days in the respective financial year.

Our inventory turnover period ranges between 79 days and 87 days for the financial years under review as our Group purchases inventories based on the purchase orders secured, inventory turnover rates as well as lead time of the purchases.

Our Group monitors our inventory levels closely to ensure operational efficiency, reduce holding costs and maintain optimal stock availability to support of project execution timelines. Our Group has also adopted a specific identification approach to review our slow-moving inventories of more than 12 months whereby our management will review the frequency of demand of our inventories from time to time to ensure that no inventories are overkept or overproduced. Our Group has not written off any inventories for the financial years under review and up to the LPD.

11. FINANCIAL INFORMATION (CONT'D)**(iv) Current ratio**

Our current assets mainly comprise inventories, contract assets, receivables, prepayments, current tax assets and cash and cash equivalents. Meanwhile, our current liabilities mainly comprise payables, lease liabilities, contract liabilities and current tax liabilities.

A summary of our current ratio for the financial years under review is set out as follows:-

	FYE 2023	FYE 2024	FYE 2025
	(RM'000)	(RM'000)	(RM'000)
Current assets	104,258	145,845	172,381
Current liabilities	20,807	38,820	17,834
Current ratio (times)⁽¹⁾	5.01	3.76	9.67

Note:-

(1) Computed based on current assets over current liabilities.

Our Group has maintained a healthy current ratio for the financial years under review, which ranges from 3.76 times to 9.67 times, indicating a strong liquidity position and our ability to meet our short-term commitments.

(v) Gearing ratio

A summary of our gearing ratio for the financial years under review is set out as follows:-

	FYE 2023	FYE 2024	FYE 2025
	(RM'000)	(RM'000)	(RM'000)
Total borrowings	-	-	-
Total equity	122,277	147,363	191,618
Gearing ratio (times)	-	-	-

Our Group does not have any bank borrowings for the financial years under review.

11.4.10 Type of financial instruments used

We did not utilise any financial instruments for hedging purposes during the financial years under review. As at the LPD, save for the unutilised banking facility of approximately RM25.50 million, we do not have any other borrowings from financial institutions.

Save as disclosed in **Section 11.3.6**, we are not materially exposed to foreign currency risk. Our transactions with our customers are denominated in USD whilst our purchases are primarily denominated in RM with certain purchases from third-party vendors located outside Malaysia are denominated in foreign currencies, in particular USD and SGD. We maintain bank accounts mainly in RM and USD, and cash collections from USD-denominated sales are, where practicable, are utilised to settle purchases relating to raw materials and outsourced parts denominated in the same currency. This matching of foreign-currency inflows and outflows to a certain extent, provides a natural hedge against fluctuations in foreign exchange rates and potentially mitigates our exposure to foreign currency risks. As at the LPD, we do not have any formal policy on foreign currency transactions and we do not hedge our exposure to fluctuations in foreign exchange rates. Notwithstanding thereof, we may enter into derivative contracts with banking institutions or consider other hedging instruments available in the financial markets to hedge against foreign currency risks should the need arise.

11. FINANCIAL INFORMATION (CONT'D)

11.4.11 Treasury policies and objectives

We finance our operations mainly through a combination of internal and external sources of funds. As at the LPD, our internal funds comprise cash generated from operating activities as well as cash and cash equivalents, while our external funds mainly comprise credit terms granted by our suppliers. Our funding policy is to obtain the most suitable type of financing and favourable cost of funding whereas our treasury policy is to maintain sufficient working capital to finance our operations, coupled with adequate credit facilities to meet estimated commitments arising from our operational expenditure and financial liabilities.

The decision to either utilise banking facilities or internally generated funds for our operations depends on factors such as our cash reserves, expected cash inflows or receipts from customers, future working capital requirements, future capital expenditure and the prevailing interest rates of the banking facilities.

11.5 Trend information

As at the LPD, our Board confirms that there are no:-

- (i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our financial performance, positions and operations, other than those disclosed in this **Section 11**, and **Sections 4** and **6** of this Prospectus;
- (ii) material capital commitments;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, save as disclosed in this **Section 11**, and **Section 4** of this Prospectus;
- (iv) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our total revenue and/or profits save for those that have been disclosed in this **Section 11**, and **Section 4** of this Prospectus;
- (v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our historical financial statements not indicative of the future financial performance and position, other than those disclosed in this **Section 11**, and **Section 4** of this Prospectus; and
- (vi) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our liquidity and capital resources, other than those disclosed in this **Section 11**, and **Section 4** of this Prospectus.

11.6 Dividend policy

The dividends declared and paid by our Group during the financial years under review are set out as follows:-

	FYE 2023	FYE 2024	FYE 2025
Dividend declared and paid in respect of each FYE (RM'000) ⁽¹⁾	-	4,469	21,226
Dividend payout ⁽²⁾ (%)	-	15.44	32.08

11. FINANCIAL INFORMATION (CONT'D)

Notes:-

- (1) *The dividend paid by our Group was funded via internally generated funds.*
- (2) *Calculated based on the dividend declared divided by the PAT of our Group.*

SASB had declared an interim dividend of RM13.41 million in respect of the FYE 2026 and the said dividend was fully paid using internally generated funds in November 2025. The declaration and payment of such dividends are not expected to adversely affect the execution or implementation of our Group's future plans or business strategies. As at the LPD, save for the Act, there are no dividend restrictions imposed on our Group.

Further, save for the abovementioned interim dividend, our Board does not intend to declare any further dividends prior to our Listing. There are no outstanding dividends declared which remain unpaid as at the LPD.

Our ability to pay dividends to our shareholders is dependent upon a number of factors, including our level of cash and retained earnings, gearing, results of our operations, anticipated capital expenditure requirement, financial conditions and any other factors considered relevant by our Board. Actual dividend proposed and declared may vary depending on our financial performance and cash flow and may be waived if the payment of dividends would adversely affect our cash flow and operations.

We target a payout ratio of at least 25.0% of our PAT for each financial year on a consolidated basis, after taking into account the working capital, maintenance capital and committed capital requirements of our Group. The declaration and payment of any dividends is subject to the confirmation of our Board as well as any applicable laws and contractual obligations, provided that such distribution will not be detrimental to our cash requirements, or any plans approved by our Board.

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our future dividends which are subject to modification (including non-declaration thereof) at our Board's discretion. There is no assurance that we will be able to pay dividends or that our Board will declare dividends in the future. There can also be no assurance that future dividends declared by our Board, if any, will not differ materially from historical dividend levels.

The dividends will not affect the execution and implementation of our future plans or business strategies. Together with the proceeds from the Public Issue, we believe that we have sufficient funding of cash from operations and bank borrowings for the funding requirements of our operations and our expansion plans.

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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**

		31 March 2023	31 March 2024	31 March 2025
	Note	RM'000	RM'000	RM'000
Non-current assets				
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>
Current assets				
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>
Current liabilities				
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>
Net current assets		83,451	107,025	154,547
Non-current liabilities				
Deferred tax liabilities	7	391	551	406
Lease liabilities	13	65	135	59
		<u>456</u>	<u>686</u>	<u>465</u>
Net assets		122,277	147,363	191,618
Equity				
Invested capital	14	4,469	4,469	4,469
Currency translation reserve		708	1,318	637
Retained profits		117,100	141,576	186,512
Total equity		122,277	147,363	191,618

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

	Note	Year ended 31 March 2023 RM'000	Year ended 31 March 2024 RM'000	Year ended 31 March 2025 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 capital RM'000	Non- distributable Currency translation reserve RM'000	Distributable Retained profits RM'000	Total equity 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 31 March 2023 RM'000	Year ended 31 March 2024 RM'000	Year ended 31 March 2025 RM'000
	Note			
Cash flows from operating activities				
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
Cash flows from investing activities				
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)
Cash flows from financing activities				
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

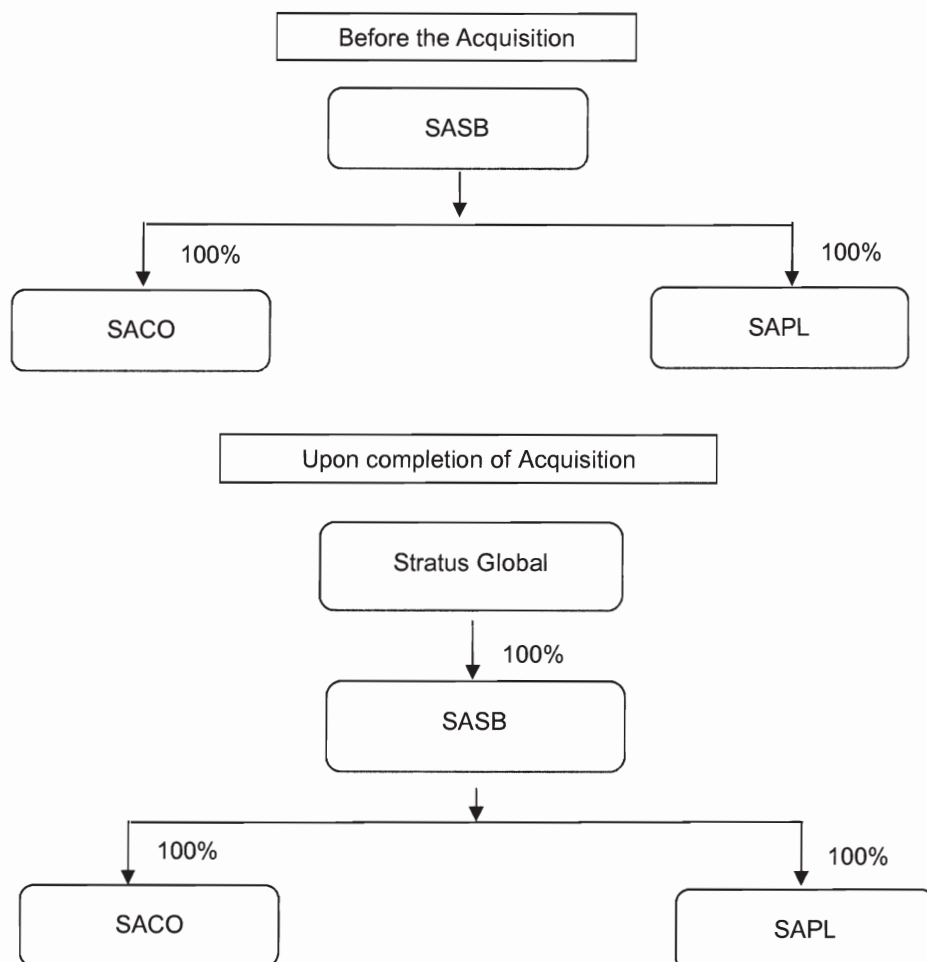
12. ACCOUNTANTS' REPORT (CONT'D)**STRATUS GLOBAL HOLDINGS BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****1. General information**

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 st Place Southeast, Washington, 98055, United States	19207 101 st 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 FYE 31 March 2024 FYE 31 March 2023	MFRSs MFRSs MFRSs	Crowe Malaysia PLT Crowe Malaysia PLT Crowe Malaysia PLT
SAPL	FYE 31 March 2025 FYE 31 March 2024 FYE 31 March 2023	IFRSs IFRSs IFRSs	Enterprise Assurance PAC Enterprise Assurance PAC Enterprise Assurance PAC
SACO	FYE 31 March 2025 FYE 31 March 2024 FYE 31 March 2023	IFRSs IFRSs IFRSs	n/a* n/a* 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 liabilitiesFinancial 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 RM'000	Factory equipment RM'000	Air conditioners RM'000	Machinery RM'000	Office equipment, furniture and fittings RM'000	Computer RM'000	Motor vehicles RM'000	Renovation RM'000	Capital work- in-progress RM'000	Total RM'000
Cost										
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
Accumulated depreciation										
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 RM'000	Factory equipment RM'000	Air conditioners RM'000	Machinery RM'000	Office equipment, furniture and fittings RM'000	Computer RM'000	Motor vehicles RM'000	Renovation RM'000	Capital work- in-progress RM'000	Total RM'000
Carrying amount										
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 land RM'000	Staff hostels RM'000	Total 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 software RM'000	Trademark RM'000	Total RM'000
Cost			
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
Accumulated amortisation			
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 software RM'000	Trademark RM'000	Total RM'000
Carrying amount			
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 RM'000	2024 RM'000	2025 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 RM'000	2024 RM'000	2025 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**

	2023 RM'000	2024 RM'000	2025 RM'000
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

	2023 RM'000	2024 RM'000	2025 RM'000
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

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

15. Revenue

	2023 RM'000	2024 RM'000	2025 RM'000
Revenue from contracts with customers:			
- Sale of goods	143,386	158,234	215,639
- Rendering of services	<u>2,530</u>	<u>643</u>	<u>4,636</u>
	<u>145,916</u>	<u>158,877</u>	<u>220,275</u>
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	<u>41,575</u>	<u>34,283</u>	<u>69,073</u>
	<u>145,916</u>	<u>158,877</u>	<u>220,275</u>

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 RM'000	2024 RM'000	2025 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 RM'000	2024 RM'000	2025 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:

	2023 %	2024 %	2025 %
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:

	2023	2024	2025
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

	2023 RM'000	2024 RM'000	2025 RM'000
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:

	RM'000
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

	2023 RM'000	2024 RM'000	2025 RM'000
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:

	2023 RM'000	2024 RM'000	2025 RM'000
Operating activities			
Lease expense recognised in profit or loss (Note 16)	583	451	679
Financing activities			
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**

	2023 RM'000	2024 RM'000	2025 RM'000
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:

	2023 RM'000	2024 RM'000	2025 RM'000
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:

	2023 RM'000	2024 RM'000	2025 RM'000
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:

	2023 RM'000	2024 RM'000	2025 RM'000
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

	2023 RM'000	2024 RM'000	2025 RM'000
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:

	2023 RM'000	2024 RM'000	2025 RM'000
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:

	2023	2024	2025
No. of major customers	<u>2</u>	<u>4</u>	<u>3</u>
Total outstanding balances (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:

	2023 RM'000	2024 RM'000	2025 RM'000
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 interest rate %	Carrying amount RM'000	Contractual undiscounted cash flows RM'000	Within 1 year RM'000	1 to 5 years RM'000
31 March 2025					
Non-derivative financial liabilities					
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>
31 March 2024					
Non-derivative financial liabilities					
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>
31 March 2023					
Non-derivative financial liabilities					
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:

	Denominated in USD		
	2023 RM'000	2024 RM'000	2025 RM'000
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:

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

	2023	2024	2025
	RM'000	RM'000	RM'000
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

	2023 RM'000	2024 RM'000	2025 RM'000
Financial assets			
<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>
Financial liabilities			
<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

	2023 RM'000	2024 RM'000	2025 RM'000
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.

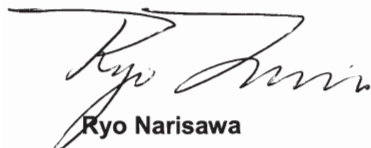
The said acquisition by Stratus Global Group is to facilitate the initial public offering exercise and listing of the Company on the Main Market of Bursa Malaysia Securities Berhad.

12. ACCOUNTANTS' REPORT (CONT'D)

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

13. STATUTORY AND OTHER GENERAL INFORMATION

13.1 Share capital

- (i) The share capital of our Company and our subsidiaries as at the LPD and changes in their respective share capital since incorporation up to the LPD are as set out in **Sections 5.3 and 5.6** of this Prospectus.
- (ii) No securities will be allotted and issued on the basis of this Prospectus later than 6 months after the date of this Prospectus.
- (iii) As at the LPD, we have only 1 class of shares in our Company, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (iv) Save as disclosed in this Prospectus, no shares, debentures, outstanding warrants, options, convertible securities or uncalled capital of our Company or our subsidiaries have been issued or proposed to be issued as fully or partly paid-up, in cash or otherwise than in cash, within the financial years under review as well as the subsequent period up to the LPD.
- (v) As at the LPD, none of the share capital of our Company or any of our subsidiaries is under option, or agreed conditionally or unconditionally to be put under option.
- (vi) Save for the Pink Form Allocation as set out in **Section 3.2.1(ii)** of this Prospectus:-
 - (a) no Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any share of our Company or our subsidiaries; and
 - (b) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiaries.
- (vii) Our Company does not have any outstanding convertible debt securities, options, warrants or uncalled capital as at the LPD.

13.2 Extracts of our Constitution

The following provisions are extracted from our Constitution and are qualified in their entirety by the remainder of the provisions of our Constitution and by applicable laws. Terms defined in our Constitution shall have the same meaning when used herein unless they are otherwise defined herein or the context otherwise requires.

13.2.1 Remuneration, voting and borrowing powers of Directors

The provisions in our Constitution dealing with remuneration, voting and borrowing powers of Directors are as follows:-

(i) Remuneration of Directors

Paragraph 109

Subject to Section 230 of the Act, the fees of the Directors, and any benefits payable to the Directors including any compensation for loss of employment of a Director shall from time to time be determined and approved annually by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree PROVIDED ALWAYS that:-

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;

13. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- (b) salaries payable to executive Directors may not include a commission on or percentage of turnover but may include a commission on or percentage of profits;
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Paragraph 111

- (1) The Directors shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.
- (2) If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.

Paragraph 142

The remuneration of the Chief Executive / Managing Director and the Deputy Managing Director may subject to the terms of any agreement entered into in any particular case, be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they may receive pension, gratuity or other benefits upon their retirement.

(ii) **Borrowing powers of Directors**

Paragraph 116

- (1) The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any related third party PROVIDED ALWAYS that nothing contained in our Constitution shall authorise the Board to borrow any money or mortgage or charge any of the Company's undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

13. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- (2) The Directors shall cause a proper register to be kept in accordance with Section 362 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 352 of the Act in regard to the registration of mortgages and charges therein specified and otherwise.
- (3) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

(iii) Voting powers of Directors

Paragraph 131

- (2) A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretion by or under our Constitution vested in or exercisable by the Directors generally. Subject to our Constitution, questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote except in situation where 2 Directors form a quorum, the chairman of the meeting at which only such a quorum is present, or at which only 2 Directors are competent to vote on the question at issue, shall not have a casting vote.

Paragraph 132

Every Director shall declare his interest in the Company and his interest in any contract or proposed contract with the Company as may be required by law. Subject to Section 222 of the Act, a Director shall not participate in any discussion or vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly an interest and if he shall do so his vote shall not be counted. A Director shall, notwithstanding his interest, be counted in the quorum for any meeting where a decision is to be taken upon any contract or proposed contract or arrangement in which he is in any way interested.

Paragraph 133

A Director, notwithstanding his interest may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Board resolves to exercise any of the rights of the Company, (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the terms of any such appointment as hereinafter mentioned are considered or where any decision is taken upon any contract or arrangement in which he is in any way interested PROVIDED ALWAYS that he has complied with Section 221 and all other relevant provisions of the Act and of our Constitution.

Paragraph 134

A Director may vote in respect of:-

- (a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or

13. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.

Paragraph 135

A Director may be or become director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise, or any corporation, which is directly or indirectly interested in the Company as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of, or from his interest in, such corporation, unless the Company otherwise directs at the time of his appointment. The Director may exercise the voting power conferred by the Shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as Directors of such other corporation in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them Directors or other officers of such corporation) and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or is about to be appointed a Director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid PROVIDED ALWAYS that he has complied with Section 221 and all other relevant provisions of the Act and of our Constitution.

13.2.2 Changes to share capital and rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights

The provisions in our Constitution in respect of the changes in share capital and rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights are as follows:-

(i) Changes to share capital

Paragraph 9

Subject always to Paragraph 4 of our Constitution*, the Company shall have the power to increase or reduce the capital, to consolidate or subdivide the Shares into Shares of larger or smaller amounts and to issue all or any part of the original or any additional capital as fully paid or partly paid Shares, and with any special or preferential rights or privileges, or subject to any special terms or conditions and either with or without any special designation, and also from time to time to alter, modify, commute, abrogate or deal with any such privileges, terms, conditions or designations in accordance with our Constitution and the Act.

Note:-

* Paragraph 4 of our Constitution states that the liability of the Members is limited.

Paragraph 10

The Company may from time to time by way of resolution at a general meeting alter its Share capital in any one or more of the following ways:-

- (a) consolidate and divide all or any of its Share capital into Shares of larger amount than its existing Shares;

13. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- (b) subdivide its Share capital or any part thereof into Shares of smaller amount than is fixed by our Constitution by subdivision of its existing Shares or any of them, subject nevertheless to the provisions of the Act and so that as between the resulting Shares, 1 or more of such Shares may, by the resolution by which such subdivision is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such Shares;
- (c) cancel Shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its Share capital by the amount of the Shares so cancelled;
- (d) convert all or any of its issued Shares into stock and reconvert that stock into paid-up Shares; and
- (e) subject to the provisions of our Constitution and the Act, convert and/or re-classify any class of Shares into any other class of Shares.

Paragraph 11

The Company may by special resolution, reduce its Share capital in any manner permitted or authorised under and in compliance with the Applicable Laws.

Paragraph 12

Without prejudice to any special rights previously conferred on the holders of any existing Shares or class of Shares, and subject to the Act, the Central Depositories Act and to the conditions, restrictions and limitations expressed in our Constitution and to the provisions of any resolution of the Company, the Directors may allot, grant options over or otherwise dispose of the unissued Share capital of the Company to such persons, at such time and on such terms and conditions, with such preferred or deferred or other special rights as they think proper, PROVIDED ALWAYS that:-

- (a) no Shares shall be issued which shall have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the Members in general meeting;
- (b) in the case of Shares of a class, other than ordinary Shares, no special rights shall be attached until the same have been expressed in our Constitution and in the resolution creating the same;
- (c) every issue of Shares or options to employees and/or Directors of the Company or its subsidiaries pursuant to a Share issuance scheme shall be approved by the Members in general meeting. No director shall participate in a Share issuance scheme unless the Members in general meeting have approved the specific allotment to be made to such Director; and
- (d) except in the case of an issue of Securities on a pro rata basis to Members or pursuant to a back-to-back placement or dividend reinvestment scheme undertaken in compliance with the Listing Requirements, a Director, Major Shareholders, Chief Executive or Person Connected shall not participate, directly or indirectly, in an issue of ordinary Shares or other securities with rights of conversion to ordinary Shares unless the Members in meeting of Members have approved the specific allotment to be made to the Director, Major Shareholders, Chief Executive or Person Connected and the Director, Major Shareholders, Chief Executive or Person Connected has abstained from voting on the relevant resolution.

13. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

In this paragraph, “**Major Shareholders**”, “**Chief Executive**” and “**Person Connected**” shall have the same meaning described thereto in the Listing Requirements.

Paragraph 13

Subject to the approval of the Members of the Company at a general meeting, our Constitution, the provisions of the Act, the Listing Requirements, the Central Depositories Act and/or any other relevant authority, the Company may upon the recommendation of the Directors remunerate any employees and/or Directors of the Company or its subsidiaries by establishing an employee share scheme. The terms and conditions of the employee share scheme shall be determined by the Board.

Paragraph 67

Section 85 of the Act shall not apply to the Company. Subject to any direction to the contrary that may be given by the Company in meeting of Members, all new Shares or other convertible securities shall, before issue, be offered to such persons who as at the date of the offer, are entitled to receive notices from the Company of meetings of Members, in proportion, as nearly as circumstances admit, to the amount of the existing Shares or securities to which they are entitled. The offer shall be made by notice specifying the number of Shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of such time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares or securities offered, the Directors may, subject to our Constitution, dispose of those Shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new Shares or securities which (by reason of the ratio which the new Shares or securities bear to Shares or securities held by persons entitled to an offer of new Shares or securities), cannot, in the opinion of the Directors, be conveniently, offered under our Constitution.

(ii) **Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights**

Paragraph 14

Subject to the Applicable Laws and any other requirements of the Securities Commission, any preference Shares may with the sanction of an ordinary resolution be issued on the terms that they are or at the option of the Company are liable to be redeemed and/or converted into ordinary Shares on such terms and in such manner as may be provided for by our Constitution from time to time and if the Company at any time issues preference capital, it shall indicate at the same time whether it reserves the right to issue further preference capital ranking equally with, or in priority to, preference Shares already issued.

- (a) Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited financial statements and attending general meetings of the Company, PROVIDED ALWAYS that preference shareholders shall not have the right to vote at any general meeting of the Company except on each of the following circumstances:-
 - (i) when the dividend or part of the dividend on the preference Share is in arrears for more than 6 months;
 - (ii) on a proposal to reduce the Company's Share capital;
 - (iii) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
 - (iv) on a proposal that affects rights and privileges attached to the preference Shares;

13. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- (v) on a proposal to wind up the Company; and
- (vi) during the winding up of the Company.

Paragraph 18

Where any Shares are issued for the purpose of raising money to defray the expenses of construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest or returns on the amount of such Share capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in Section 130 of the Act and may charge the same to capital as part of the cost of construction of the works or buildings or the provision of the plant.

Paragraph 19

If at any time the Share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of 75% of the issued Shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class. To every such separate meeting the provisions of our Constitution relating to meetings of Members shall *mutatis mutandis* apply so that the necessary quorum shall be 2 persons at least holding or representing by proxy at least 1/10 of the issued Shares of the class and that any holder of Shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 292 of the Act shall apply with such adaptations as are necessary.

Paragraph 20

The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking as regard to participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

Paragraph 21

The Company may exercise the powers of paying commissions conferred by the Act, provided that the rate or the per centum of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the commission shall not exceed the rate of 10% of the price at which the Shares in respect whereof the commission is paid are issued or an amount equivalent thereto. Such commission may be satisfied by the payment of cash or the allotment of fully paid up Shares or partly paid up Shares or by a combination of any of the aforesaid methods of payment. The Company may, on any issue of Shares, also pay such brokerage as may be lawful.

13. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

13.2.3 Transfer of shares

The provisions in our Constitution in respect of the arrangement for transfer of our Shares and restrictions on their free transferability are as follows:-

Paragraph 47

The transfer of any Deposited Security, shall be by way of book entry by Bursa Depository in accordance with the Rules and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Security.

Paragraph 48

- (1) Subject to the Central Depositories Act and the Rules, the Board may in its absolute discretion and without assigning any reason thereof authorise its registrar to cause Bursa Depository to decline to register any transfer of Share upon which the Company has a lien or which are not fully paid-up.
- (2) Subject to the Central Depositories Act and the Rules, the Board may also authorise its registrar to cause Bursa Depository to decline to register any transfer unless such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer is deposited at such place as the Directors may appoint.

Paragraph 49

The Register may be closed at such time and for such period as the Company may from time to time determine PROVIDED ALWAYS that they shall not be closed for more than 30 days in any calendar year. Any notice of intention to fix a books closing date and the reason therefor shall be given to Bursa Securities, such notice shall state the books closing date, which shall be at least 10 Market Days (or such other period as may be prescribed by Bursa Securities) after the date of notification to Bursa Securities, and the address of the share registrar at which documents will be accepted for registration. In relation to such closure, the Company shall give written notice, in accordance with the Rules to issue the appropriate Record of Depositors.

Paragraph 50

- (1) No Shares shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.
- (2) Nothing in our Constitution shall preclude the Board from recognising a renunciation of the allotment of any Share by the allottee in favour of some other person.

Paragraph 51

- (1) There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title of any Shares, such fee as may be permitted by the relevant law and as the Board may from time to time require or prescribe.
- (2) All transfer of securities deposited with Bursa Depository, including but not limited to the Deposited Security, shall be in compliance with the Applicable Laws.

13.3 Limitation on the right to hold securities and/or exercise voting rights

There are no limitations on the right to own securities, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on our Shares.

13. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

13.4 Deposited securities and rights of Depositors

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, holders of our Shares must deposit their Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer the Shares to the Minister of Finance, Malaysia, Inc and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("**Depositor**") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of or arising from, such Shares.

13.5 Material contracts

Save as disclosed below, our Group has not entered into any material contract which is not in the ordinary course of our Group's business within the financial years under review as well as the subsequent period up to the date of this Prospectus:-

- (i) sale and purchase agreement dated 24 November 2023 entered into between SASB and Orthomedic Medical Devices Sdn Bhd as part of the internal group restructuring to transfer Lot 12147, Mukim 12, Daerah Barat Daya, Negeri Pulau Pinang held under Pajakan Negeri No. Hakmilik 6700 together with the double storey factory building and all structures erected thereon under phase 1 bearing assessment address No. 73-C, Lintang Bayan Lepas, Taman Perindustrian Bayan Lepas, 11900 Bayan Lepas, Penang from Orthomedic Medical Devices Sdn Bhd to SASB for a total cash consideration of RM20,900,000 ("**Transfer**"). The Transfer was completed on 1 August 2024;
- (ii) conditional share sale agreement dated 11 November 2025 entered into between Jiyuan, Beh Lai Lien, Ryo Narisawa, Tan Chan Chin, Lai Siaw Ling, Masuko Narisawa, Ooi Eng Guan, Wong Pow Keong and Yap Kim Seng (as vendors) and Stratus Global (as purchaser) in respect of the Acquisition of SASB (which is part of the Pre-IPO Restructuring). Please refer to **Section 5.4** of this Prospectus for further details on the Acquisition of SASB; and
- (iii) Underwriting Agreement dated [date] entered into between our Company and the Underwriter to underwrite 25,000,000 IPO Shares under the Malaysian Public portion as set out in **Section 3.2.1(i)** of this Prospectus and 30,000,000 Pink Form Shares under the Pink Form Allocation as set out in **Section 3.2.1(ii)** of this Prospectus, for the underwriting commission at the rate set out in **Section 3.6.2** of this Prospectus. Please refer to **Section 3.7** of this Prospectus for further details on the Underwriting Agreement.

13.6 Material litigation

As at the LPD, our Group is not involved in any material litigation or arbitration, either as plaintiff or defendant of a third-party, including those relating to bankruptcy, receivership or similar proceedings, which may have a material adverse effect on the business or financial position of our Group. Our Directors confirm that there is no legal proceeding, pending or threatened, or of any fact likely to give rise to any legal proceeding which may have a material adverse effect on the business or financial position of our Group in the 12 months immediately preceding the date of this Prospectus.

13. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

13.7 Repatriation of capital and remittance of profit

Save as disclosed below, there are no governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and the remittance of profits by or to our Group as at the LPD:-

13.7.1 Malaysia

All corporations in Malaysia are required to adopt a single-tier dividend. Hence, all dividends distributed to our shareholders under a single-tier dividend are not taxable.

Further, the Malaysian government does not levy withholding tax on dividend payments. Therefore, the dividends to be paid to shareholders who are non-tax residents in Malaysia are not subject to withholding tax in Malaysia. There is no Malaysian capital gains tax arising from the disposal of listed shares.

Based on the Finance Act 2024 gazetted on 31 December 2024, dividend tax at the rate of 2.0% will be imposed on annual chargeable dividend income exceeding RM100,000 received by individual shareholders (resident and non-residents) as well as individuals who hold shares through nominees with certain exemptions, effective from year of assessment 2025.

13.7.2 Singapore

As at the LPD, there are no exchange control restrictions in effect in Singapore which may affect the repatriation of capital and remittance of profits by or to our Company.

13.7.3 USA

The USA does not impose foreign exchange controls or direct governmental restrictions on the repatriation of capital or dividends to foreign shareholders. However, such transactions may be subject to applicable tax laws and withholding obligations in the USA, as well as compliance with anti-money laundering (AML) regulations and economic sanctions administered by the USA Department of the Treasury's Office of Foreign Assets Control (OFAC).

13.8 Letters of consent

The written consents of our Principal Adviser, Underwriter and Placement Agent, Legal Adviser, Company Secretaries, Share Registrar and Issuing House as well as Internal Control Reviewer as set out in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants, for the inclusion in this Prospectus of its name, Accountants' Report and Reporting Accountants' report on the pro forma consolidated statements of financial position together with all references herein in the form and context in which they are contained in this Prospectus has been given before the issuance of this Prospectus and has not subsequently been withdrawn.

The written consent of the IMR, for the inclusion in this Prospectus of its name and the IMR Report in the form and context in which they are contained in this Prospectus has been given before the issuance of this Prospectus and has not subsequently been withdrawn.

13. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

13.9 Documents available for inspection

Copies of the following documents may be inspected at our registered office during normal working hours for a period of 6 months from the date of this Prospectus:-

- (i) our Constitution;
- (ii) Reporting Accountants' report on the pro forma consolidated statements of financial position as at 31 March 2025 as included in **Section 11.2** of this Prospectus;
- (iii) Accountants' Report as included in **Section 12** of this Prospectus;
- (iv) the letters of consent referred to in **Section 13.8** of this Prospectus;
- (v) the material contracts referred to in **Section 13.5** of this Prospectus;
- (vi) the audited consolidated financial statements of our Group and the audited financial statements of our subsidiaries (save for SACO) for the financial years under review; and
- (vii) the IMR Report as included in **Section 7** of this Prospectus.

13.10 Responsibility statements

Our Directors and Promoters have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

UOBKH as our Principal Adviser, Underwriter and Placement Agent acknowledges that, based on all available information and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF THIS PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in this Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

14.1 Opening and closing of Applications

Opening of the Application period: 10.00 a.m., [date]

Closing of the Application period: 5.00 p.m., [date]

Late Applications will not be accepted. In the event there is any change to the times stated above, we will advertise the notice of the changes in widely circulated English and Bahasa Malaysia daily newspaper within Malaysia, and make an announcement of such changes on Bursa Securities' website accordingly.

14.2 Methods of Application**14.2.1 Application for our IPO Shares by the Malaysian Public and Eligible Persons**

Applications must accord with this Prospectus and our Constitution. The submission of an Application Form does not mean that your Application will succeed. You agree to be bound by our Constitution.

Types of Application and category of investors	Application method
Applications by Eligible Persons Applications by the Malaysian Public:- (a) Individuals	Pink Application Form only - White Application Form; or - Electronic Share Application; or - Internet Share Application
(b) Non-individuals	- White Application Form only

14.2.2 Placement

Types of Application and category of investors	Application method
Applications by:- (a) institutional and/or selected investors	The Placement Agent will contact the institutional and/or selected investors directly. They should follow the Placement Agent's instructions
(b) Bumiputera investors approved by the MITI	The MITI will contact the identified Bumiputera investors directly. They should follow the MITI's instructions

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Identified institutional and/or selected investors and Bumiputera investors approved by the MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

14.3 Eligibility

14.3.1 General

You must have a CDS Account and a correspondence address in Malaysia. If you do not have a CDS Account, you may open a CDS Account by contacting any of the ADAs set out in **Section 12** of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of this Prospectus on the website of Bursa Securities. **The CDS Account must be in your own name. Invalid, nominee or third party CDS Accounts will not be accepted for the Applications.**

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

14.3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfil all of the following:-

- (i) You must be one of the following:-
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the Application; or
 - (b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia;
- (ii) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and
- (iii) You must submit an Application by using only one of the following methods:-
 - (a) White Application Form; or
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

14.3.3 Application by Eligible Persons

Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocations. The applicants must follow the notes and instructions in those documents and where relevant, in this Prospectus.

Eligible Persons may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, the Issuing House, UOBKH, participating organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

14.4 Application by way of Application Forms

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of this Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM[●] for each IPO Share.

Payment must be made out in favour of “**TIH SHARE ISSUE ACCOUNT NO. [●]**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:-

- (i) despatch by **ORDINARY POST** in the official envelopes provided to the following address:-

Tricor Investor & Issuing House Services Sdn Bhd
(Registration No. 197101000970 (11324-H))
 Unit 32-01, Level 32, Tower A
 Vertical Business Suite, Avenue 3
 Bangsar South, No. 8, Jalan Kerinchi
 59200 Kuala Lumpur

- (ii) **DELIVER BY HAND AND DEPOSIT** in the Drop-in Boxes provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur so as to arrive not later than **5.00 p.m.** on [date] or by such other time and date specified in any change to the date or time for closing. We will not accept late Applications.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your White Application Form or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

14.5 Application by way of Electronic Share Application

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

14.6 Application by way of Internet Share Application

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of these Internet Participating Financial Institutions or Participating Securities Firms namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, Malayan Banking Berhad, Public Bank Berhad, RHB Bank Berhad, CGS International Securities Malaysia Sdn Bhd, Hong Leong Investment Bank Berhad, iFAST Capital Sdn Bhd, Kenanga Investment Bank Berhad, Malacca Securities Sdn Bhd, Moomoo Securities Malaysia Sdn Bhd, TA Securities Holdings Berhad and UOB Kay Hian (M) Sdn Bhd (formerly known as UOB Kay Hian Securities (M) Sdn Bhd). A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions or Participating Securities Firms.

14.7 Authority of our Board and Issuing House

The Issuing House, on the authority of our Board, reserves the right to:-

- (i) reject Applications which:-
 - (a) do not conform to the instructions of this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of remittance;
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with **Section 14.9** below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

14.8 Over/under-subscription

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

The basis of allocation of our IPO Shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major daily Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at <https://srmy.vistra.com> **within 1 Market Day** after the balloting date.

Pursuant to the Listing Requirements, we are required to have a minimum of 25.0% of our Company's issued share capital to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of our Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation provisions as set out in **Section 3.2.2** of this Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

14.9 Unsuccessful/partially successful applicants

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner:-

14.9.1 For applications by way of Application Form

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the NRIC or any official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

14.9.2 For applications by way of Electronic Share Application and Internet Share Application

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited (without interest) into your account with the Participating Financial Institution or Internet Participating Financial Institution or Participating Securities Firm (or arranged with the Authorised Financial Institution) within 2 Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the 5th Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

14.10 Successful applicants

If you are successful in your Application:-

- (i) Our IPO Shares allotted to you will be credited into your CDS Account.
- (ii) A notice of allotment will be despatched to you at your registered or correspondence address last maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. As such, our IPO Shares issued/offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

14.11 Enquiries

Enquiries in respect of the Applications may be directed as follows:-

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. (03) 2783 9299
Electronic Share Application	Participating Financial Institutions
Internet Share Application	Internet Participating Financial Institutions or Participating Securities Firms and Authorised Financial Institutions

The results of the allocation of the IPO Shares derived from successful balloting will be made available to the public at the Issuing House's website at <https://srmy.vistra.com>, within 1 Market Day after the balloting date.

You may also check the status of your Application at the above website, 5 Market Days after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs as set out in **Section 12** of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of this Prospectus on the website of Bursa Securities.

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