

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.

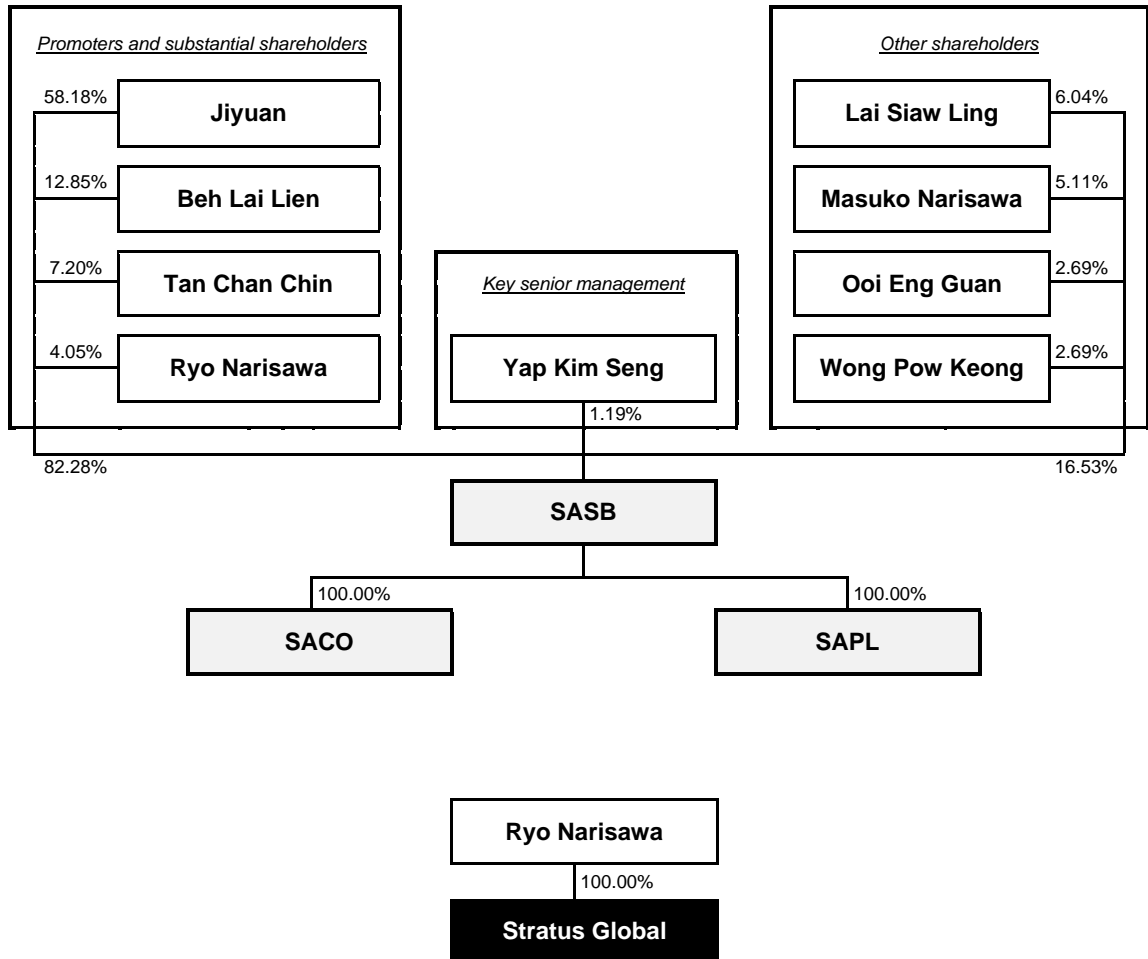
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5. INFORMATION ON OUR GROUP (CONT'D)

5.5 Our Group structure

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

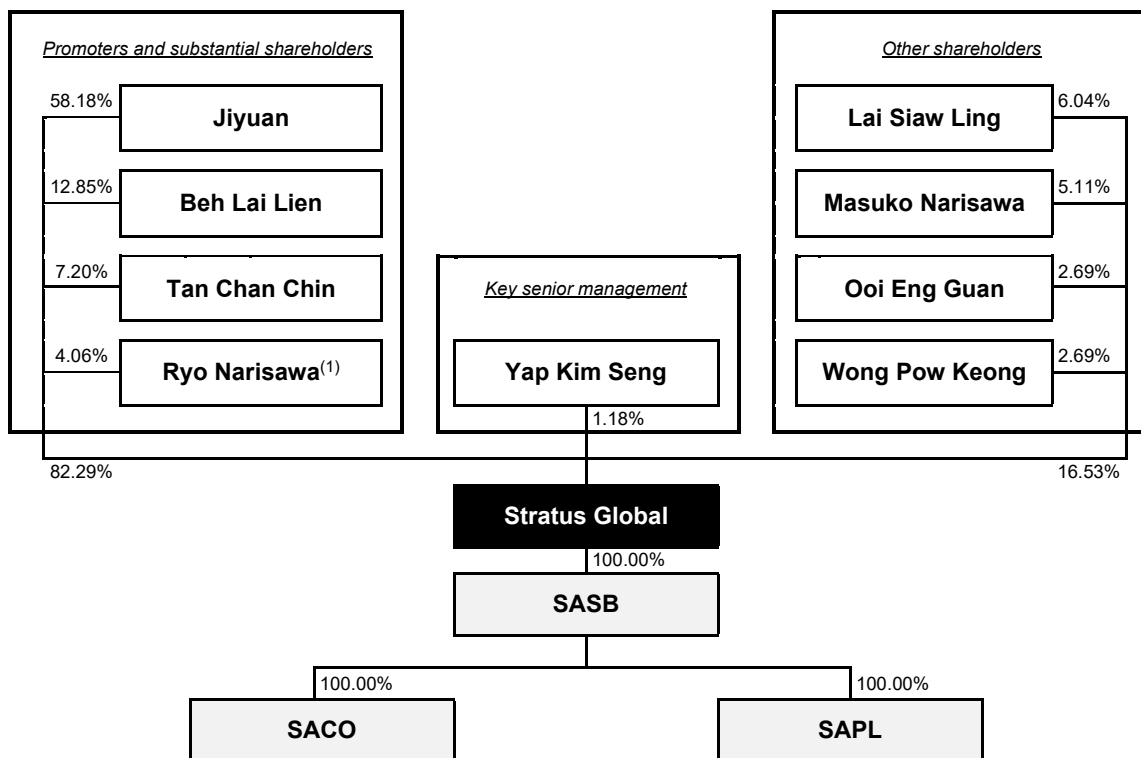
Before the Pre-IPO Restructuring



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5. INFORMATION ON OUR GROUP (CONT'D)

After the Pre-IPO Restructuring and as at the LPD



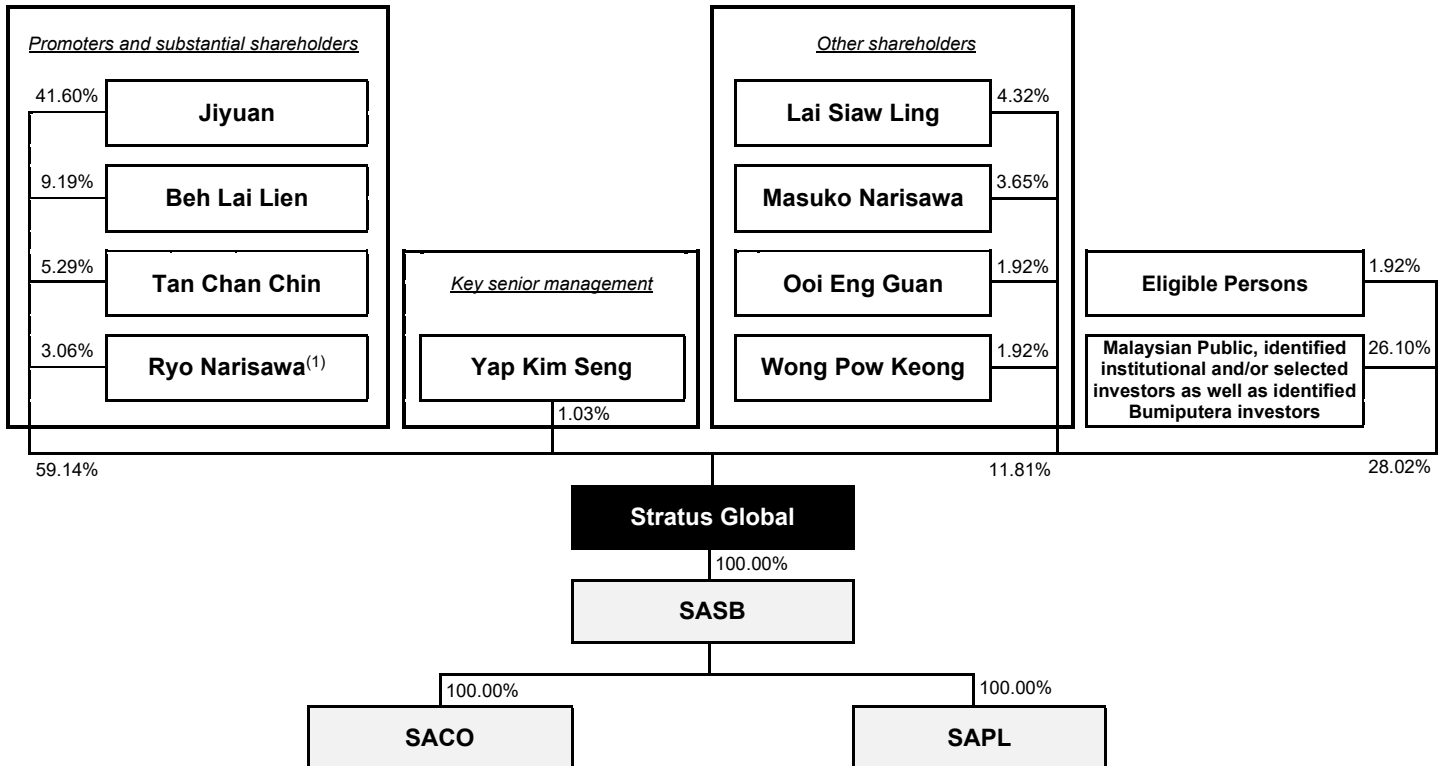
Note:-

- (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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