

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

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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 RM'000	Pre-IPO Dividend RM'000	Acquisition of SASB RM'000	RM'000	Public Issue 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	
		As at 31 March 2025*	Issue of shares	Pre-IPO Dividend	Acquisition of SASB	Dividend and Acquisition of SASB	Public Issue	After Pro Forma I and Public Issue	Utilisation of Proceeds	After Pro Forma II and Utilisation of Proceeds
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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

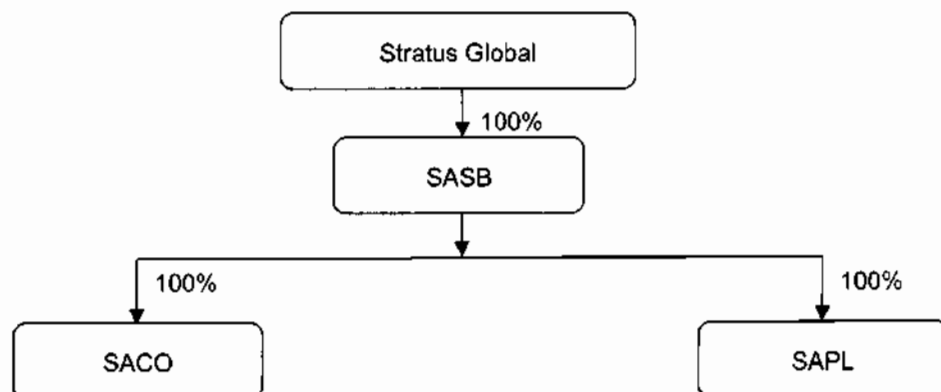
3. Introduction

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.

(The rest of this page has been intentionally left blank)

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.

(The rest of this page has been intentionally left blank)

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)

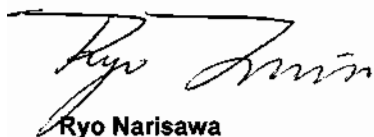
APPENDIX A

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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK