6. BUSINESS OVERVIEW

6.1 Overview

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

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

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

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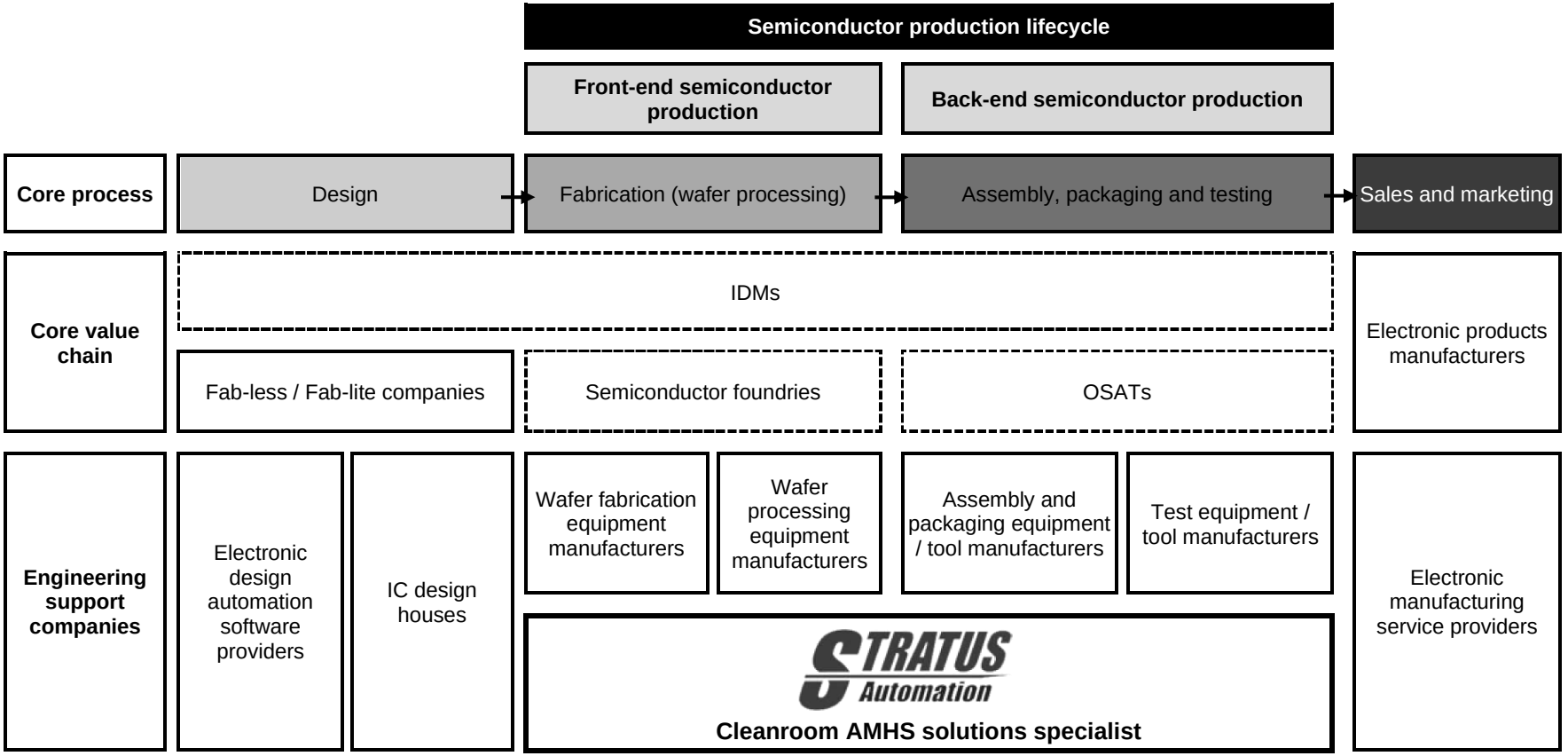
6. BUSINESS OVERVIEW (CONT'D)

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



Note:-

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

6. BUSINESS OVERVIEW (CONT'D)

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

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

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

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

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

6. BUSINESS OVERVIEW (CONT'D)

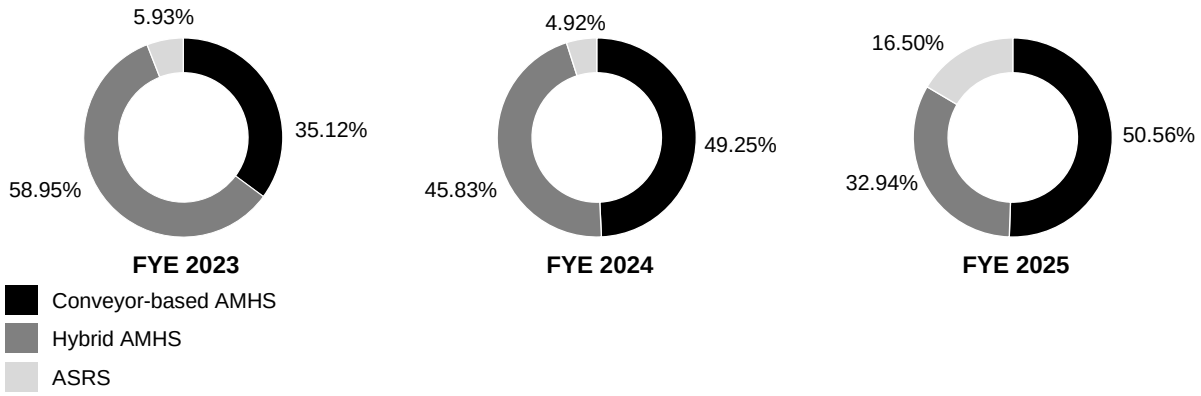
6.2 Our principal activities

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

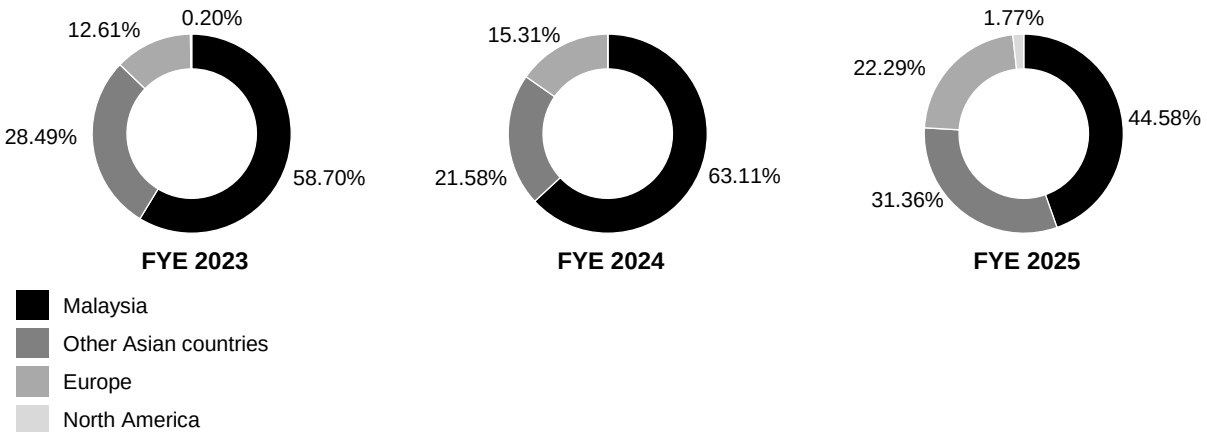
The business model of our Group is summarised in the diagram below:-

Principal activities	**Cleanroom AMHS solutions specialist**		
Solutions	**Conveyor-based AMHS** *(A cleanroom automated system that uses overhead conveyor lines to transfer critical materials rapidly and reliably between production floor areas within semiconductor facilities)*	**Hybrid AMHS** *(A cleanroom automated system that integrates overhead conveyor lines with OHT, a vehicle with hoist that runs on ceiling-mounted rail tracks that carries critical materials in individual carriers above the production floor areas)*	**ASRS** *(Automated storage and retrieval system designed to store and retrieve critical materials)*
Customers	Primarily front-end semiconductor production companies (i.e. IDMs and semiconductor foundries) as well as back-end semiconductor production companies (i.e. IDMs and OSATs)		
Geographical markets	• Asia (comprising Malaysia and other Asian countries) • Europe • North America		

Revenue contribution by business segments



Revenue contribution by geographical locations



6. BUSINESS OVERVIEW (CONT'D)

6.2.1 Our AMHS solutions

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

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

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

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

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

6. BUSINESS OVERVIEW (CONT'D)

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

			
FOUP	**SMIF**	**HA200 storage box**	**Reticle pod**

		
Magazine	**Open cassette**	**Tray**

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

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

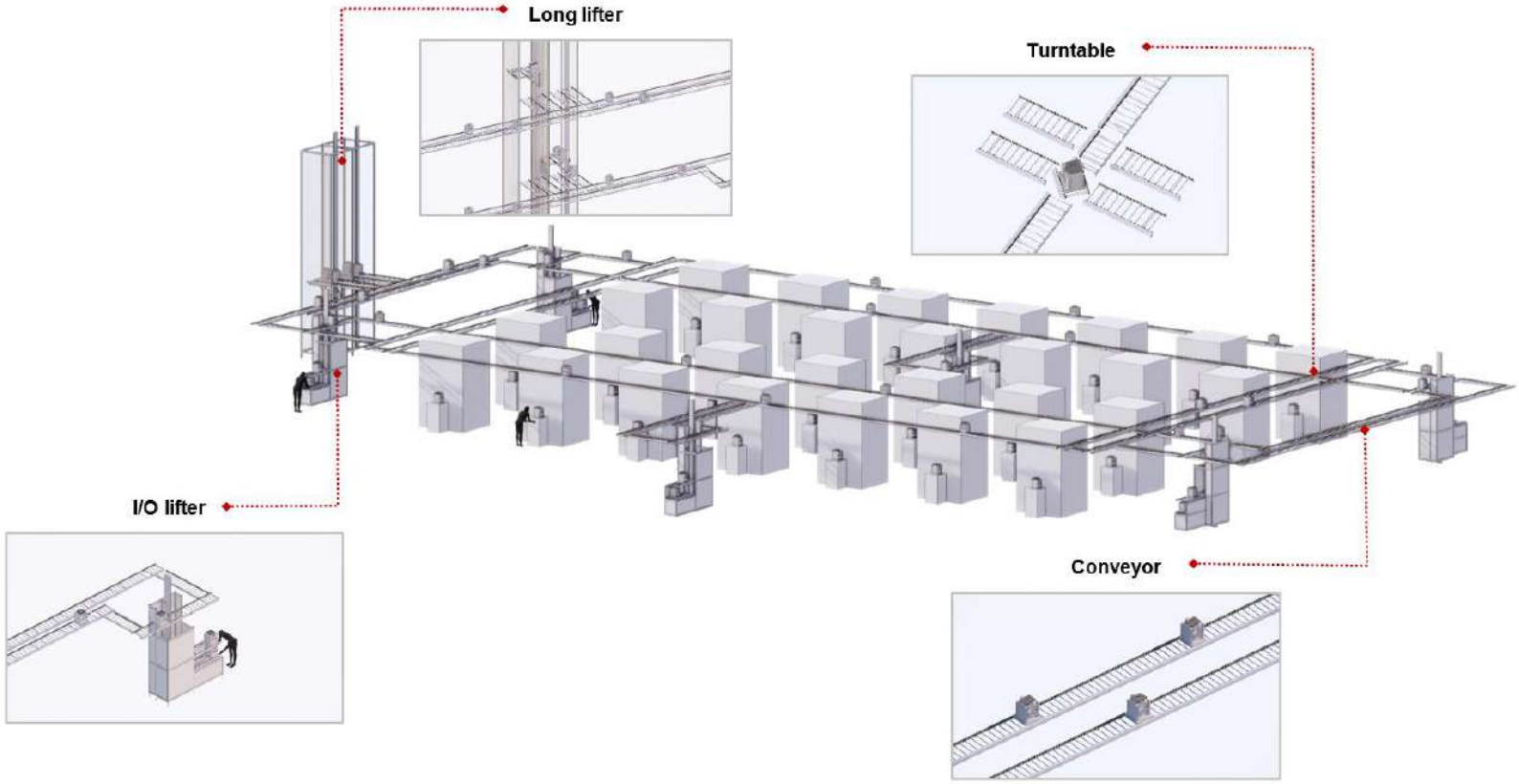
Further details on our AMHS solutions are set out below:-

(i) Conveyor-based AMHS

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

6. BUSINESS OVERVIEW (CONT'D)

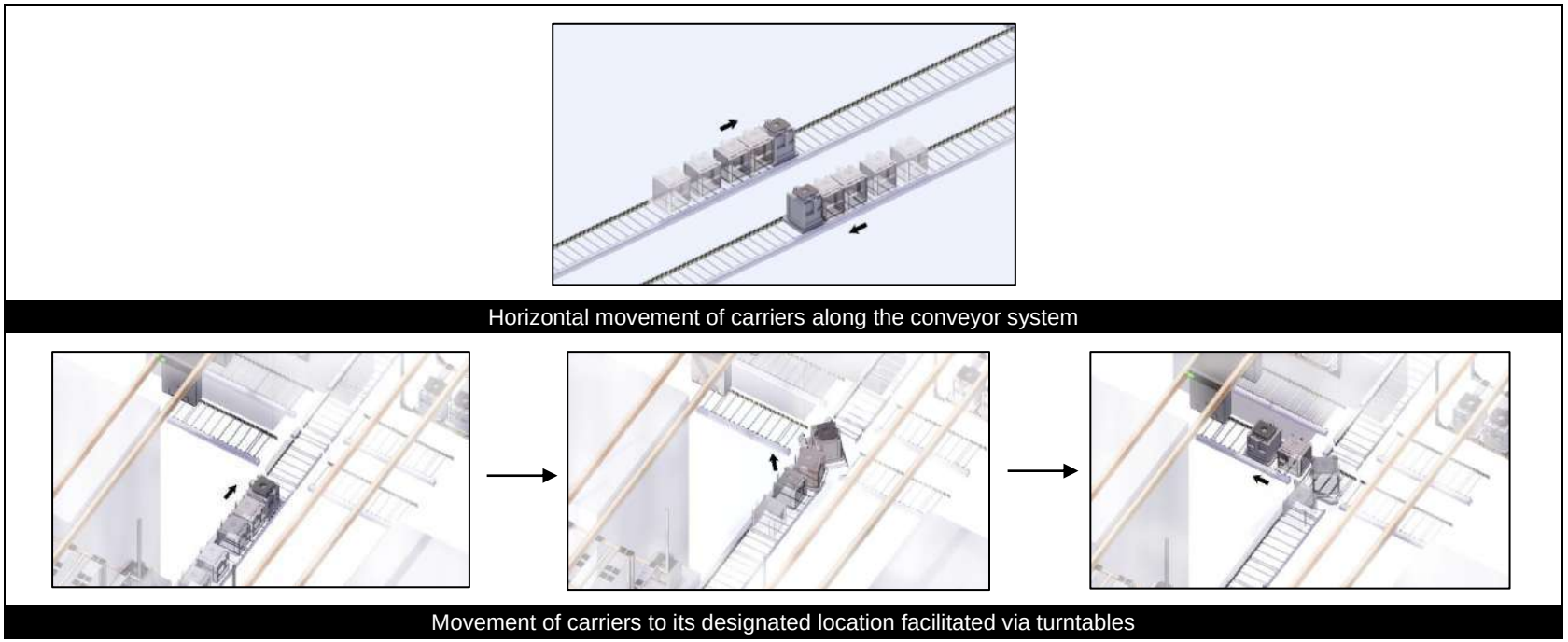
An illustration of our conveyor-based AMHS is set out below:-



6. BUSINESS OVERVIEW (CONT'D)

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

(a) Conveyor



Horizontal movement of carriers along the conveyor system

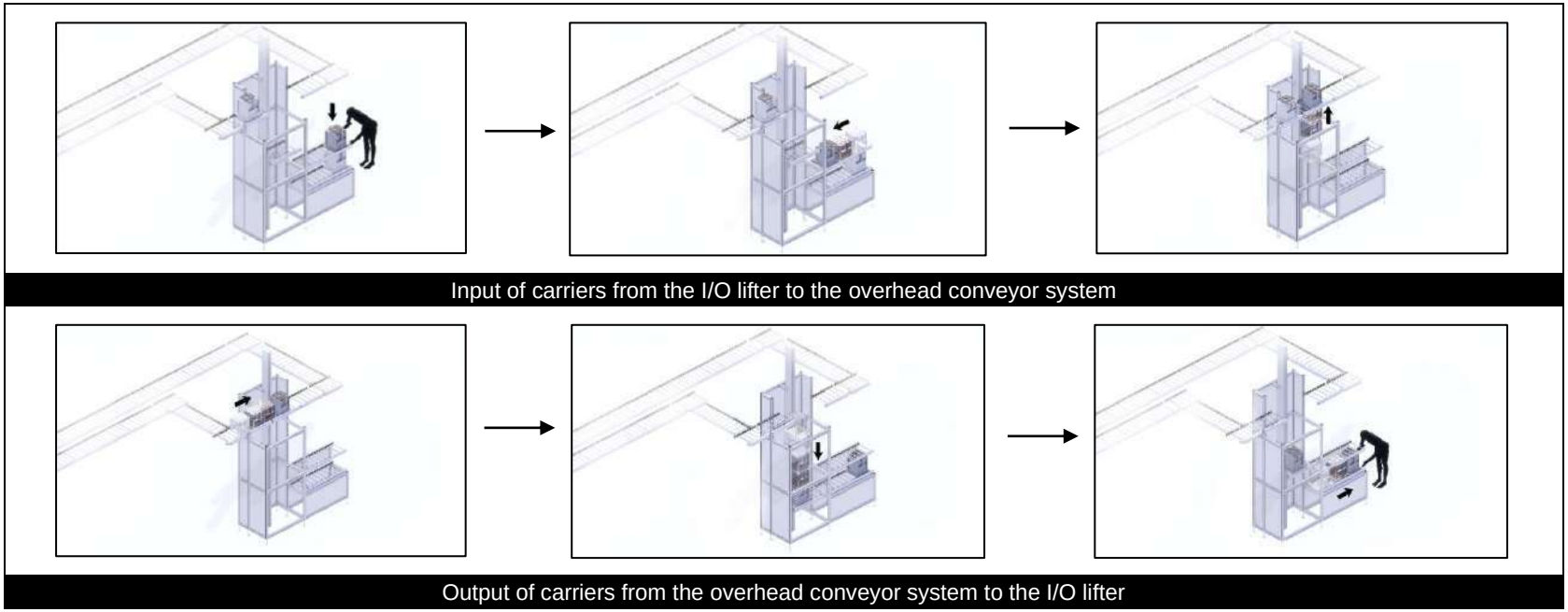
Movement of carriers to its designated location facilitated via turntables

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

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

6. BUSINESS OVERVIEW (CONT'D)

(b) I/O lifter

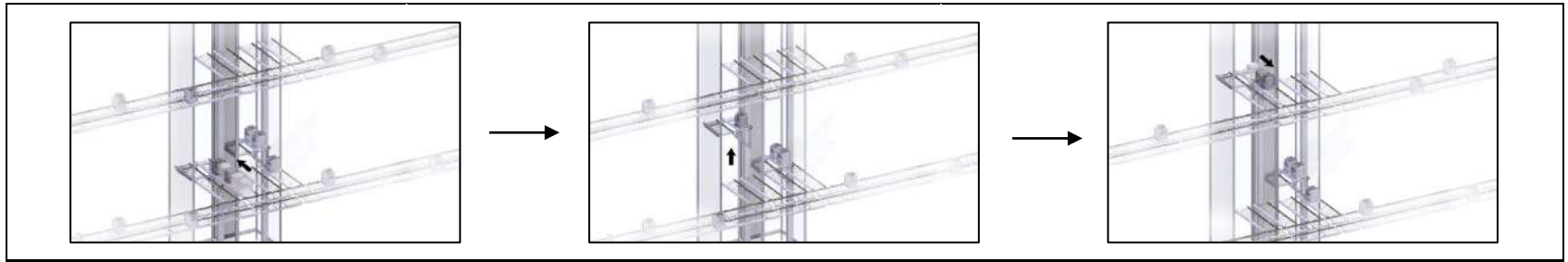


The I/O lifter, which forms part of our conveyor-based AMHS solutions, enables the vertical transfer of carriers between operator interface points (i.e. waist level I/O ports at the production floor area) and the overhead conveyor system. It facilitates ergonomic loading and unloading whilst ensuring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

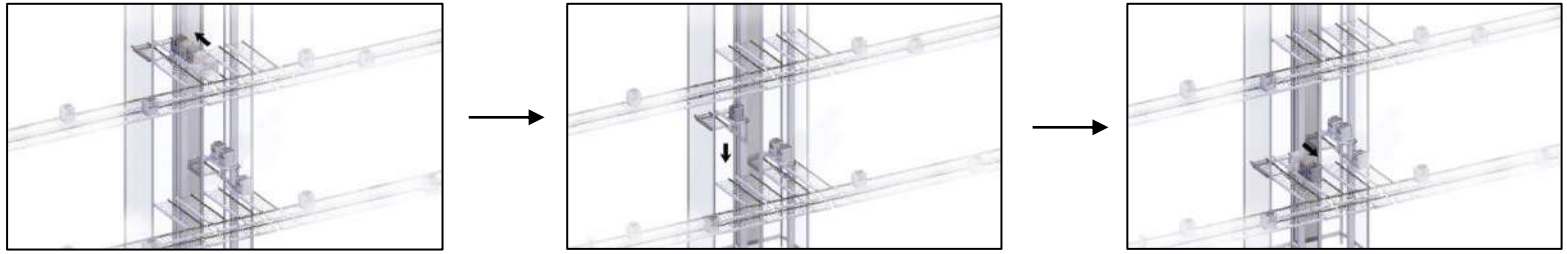
Equipped with motorised lift mechanisms and position sensors, the I/O lifter operates as a semi-automated system where the operator places carriers onto the I/O port to be elevated to the overhead conveyor system to be transported to its designated location, or lowered from the overhead conveyor system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

6. BUSINESS OVERVIEW (CONT'D)

(c) Long lifter



Movement of carriers from the lower production floor level to the upper production floor level via the long lifter



Movement of carriers from the upper production floor level to the lower production floor level via the long lifter

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

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

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

6. BUSINESS OVERVIEW (CONT'D)

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

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

(ii) Hybrid AMHS

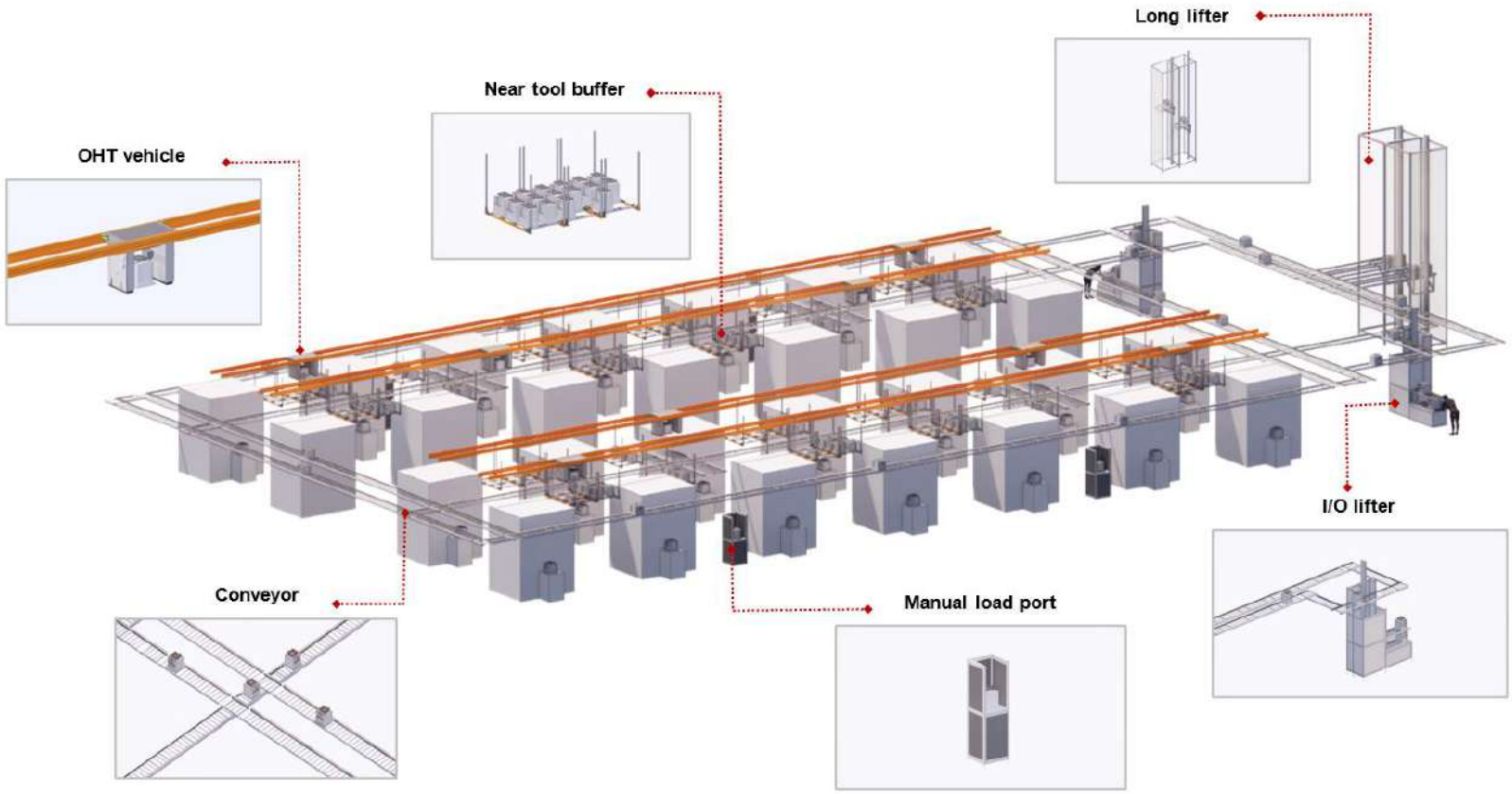
Our hybrid AMHS is a cleanroom automated system that integrates overhead conveyor lines with OHT system, a vehicle with hoist that runs on ceiling-mounted rail tracks designed to carry critical materials in individual carriers above the production floor areas. The hybrid AMHS enables full automation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

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

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

6. BUSINESS OVERVIEW (CONT'D)

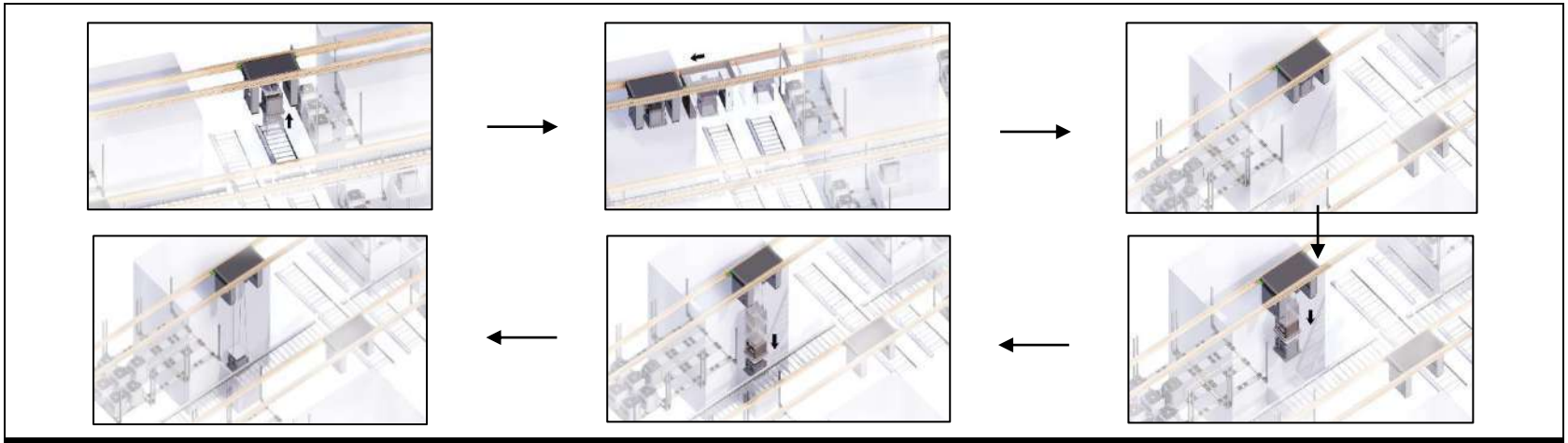
An illustration of our hybrid AMHS is set out below:-



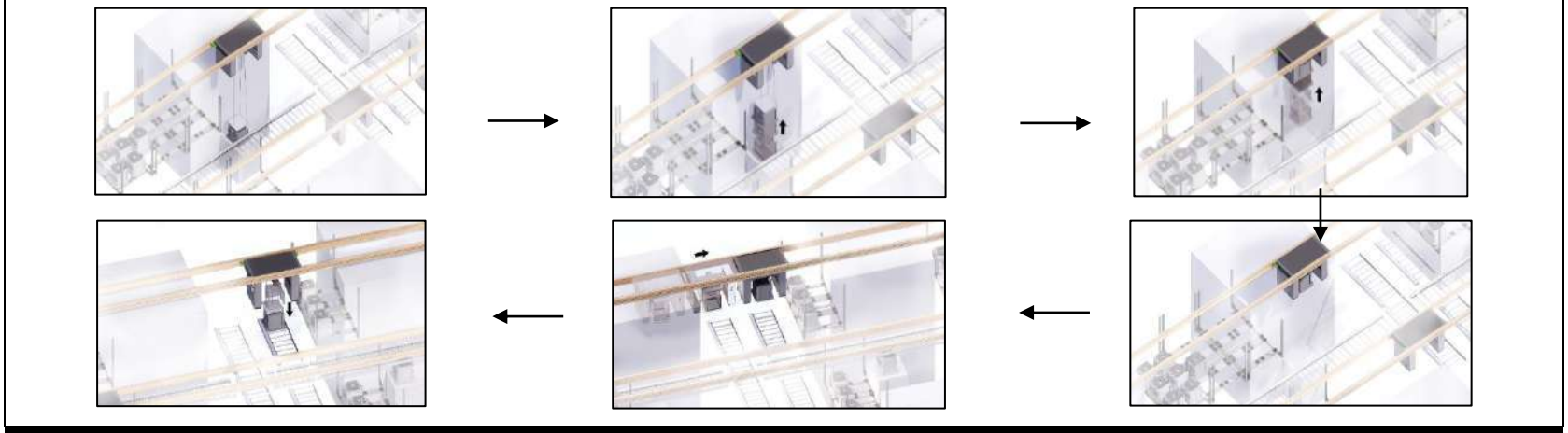
6. BUSINESS OVERVIEW (CONT'D)

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

(a) Process tool



Movements of carriers from the overhead conveyor system to the process tool

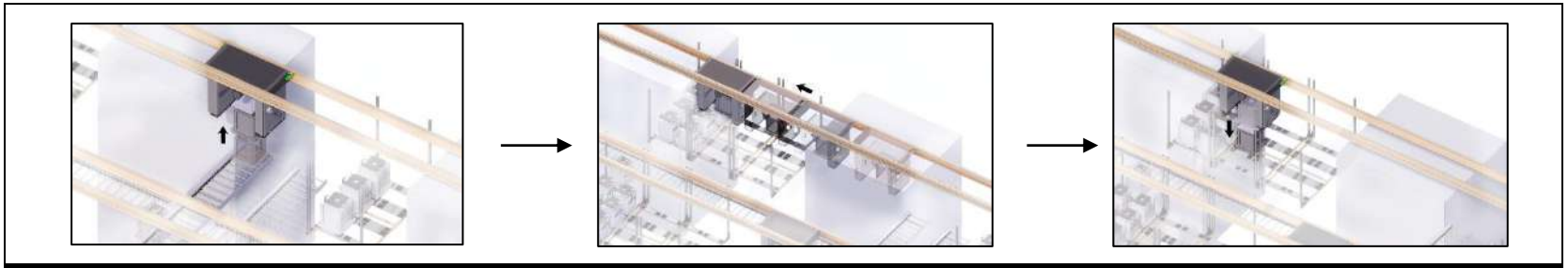


Movements of carriers from the process tool to the overhead conveyor system

6. BUSINESS OVERVIEW (CONT'D)

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

(b) Near-tool buffer



Movements of carriers from the overhead conveyor system to the near-tool buffer

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

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

6. BUSINESS OVERVIEW (CONT'D)

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

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

(iii) ASRS

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

6. BUSINESS OVERVIEW (CONT'D)

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

Type of ASRS	T-type stocker	R-type stocker	Zero-footprint stocker
			
Description	Automated intra-floor storage system	Automated inter-floor vertical storage system	Automated overhead storage system (zero-floor-space)
Key features	• Compact, high-density storage of carriers within the same production floor level • Suitable for large capacity storage	• Compact, high-density storage within an elevator shaft • Suitable for compact space • Serves as both storage and inter-floor transport system	• High-capacity storage by utilising ceiling space, freeing up production floor space • Suitable as intra-bay near-tool buffer
Storage location	On the floor	Inside elevator shaft / hole (vertical)	Suspended from ceiling (can be configured between 2 to 4 storage layers)
Dimensions	Depending on storage capacity requirement and production floor layout	Up to 35 metres tall	Unlimited bay length
Tracking and retrieval system	Camera and sensor-based positioning system		Wireless communication and power transmission system for long-distance tracking and retrieval
I/O ports	Human-accessible and overhead levels	Located at vertical storage entry points on each production floor level	Configurable ports along bay length

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

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

6. BUSINESS OVERVIEW (CONT'D)

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

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

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

6.2.2 Ancillary AMHS components

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

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

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

6. BUSINESS OVERVIEW (CONT'D)

6.2.3 TCS

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

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

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

6.2.4 Warranty

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

6.2.5 After-sales support services

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

6.3 Principal markets and business segments

6.3.1 Revenue by business segments

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

Note:-

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

6. BUSINESS OVERVIEW (CONT'D)

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

6.3.2 Revenue by geographical locations

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

Notes:-

*** *Negligible.*

(1) *Comprising mainly Singapore.*

(2) *Comprising mainly Germany and Austria.*

(3) *Comprising the USA.*

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

6.4 Competitive strengths

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

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

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

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

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

(ii) our in-house fabrication capabilities enable our Group to fabricate primary AMHS hardware components (such as conveyor frames, stocker frames, OHT frames and turntables), thus supporting consistent product quality; and

(iii) our extensive track record, industry reputation and a wide multinational customer base provide confidence to potential customers in our ability to meet their factory automation requirements, thus supporting our Group's ongoing efforts to strengthen our global brand presence amongst IDMs, semiconductor foundries and OSATs.

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

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

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

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

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

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

6. BUSINESS OVERVIEW (CONT'D)

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

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

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

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

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

(i) global semiconductor sales increased at a CAGR of 4.80% from USD574.09 billion (RM2.53 trillion) in 2022 to USD630.55 billion (RM2.88 trillion) in 2024;

(ii) the global semiconductor fabrication capacity increased at a CAGR of 5.50% from 28.32 million wafers per month in 2022 to 32.52 million wafers per month in 2024;

(iii) semiconductor manufacturing sales value in Malaysia increased from RM206.53 billion in 2022 to RM209.29 billion in 2024 at a CAGR of 0.67%; and

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

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

6.4.5 Our AMHS solutions are certified to internationally recognised standards

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

6. BUSINESS OVERVIEW (CONT'D)

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

6.4.6 We have an experienced and hands-on management team

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

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

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

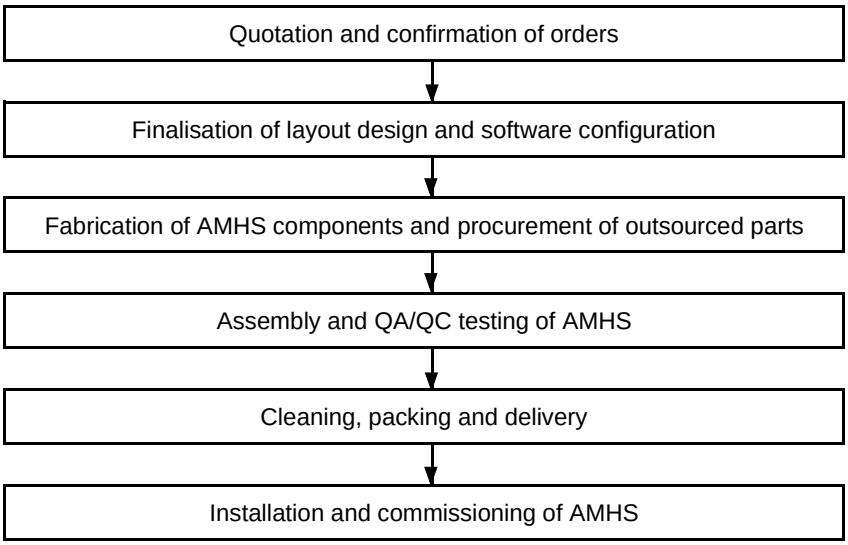
Note:-

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

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

6. BUSINESS OVERVIEW (CONT'D)

6.5 Business process



(i) Quotation and confirmation of orders

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

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

(ii) Finalisation of layout design and software configuration

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

6. BUSINESS OVERVIEW (CONT'D)

(iii) Fabrication of AMHS components and procurement of outsourced parts

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

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

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

(iv) Assembly and QA/QC testing of AMHS

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

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

(v) Cleaning, packing and delivery

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

6. BUSINESS OVERVIEW (CONT'D)

(vi) Installation and commissioning of AMHS

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

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

6.6 Production capacity, output and utilisation

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

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

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

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

Notes:-

(1) Calculated based on the number of machines multiplied by the machine runtime of 14 working hours per day and 49 working weeks per year.

(2) Calculated based on actual annual operating hours divided by annual operating capacity and multiplied by 100%.

6. BUSINESS OVERVIEW (CONT'D)

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

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

Notes:-

(1) The annual production capacity for each AMHS component production floor area is calculated based on the maximum number of metres or units of the respective AMHS component which can be produced with the given dedicated production floor space and production working hours of one 8.5-hour shift per day for the FYE 2025.

(2) Calculated based on the production of a maximum of 150 metres of conveyors per week multiplied by 49 working weeks per year.

(3) Calculated based on the production of a maximum of 25 units of turntables per week multiplied by 49 working weeks per year.

(4) Calculated based on the production of a maximum of 2.5 units of lifters per week multiplied by 49 working weeks per year.

(5) Calculated based on the production of a maximum of 1.25 OHT units per week multiplied by 49 working weeks per year.

(6) Calculated based on the production of a maximum of 0.5 ASRS units per week multiplied by 49 working weeks per year.

(7) The actual annual production for each AMHS component may vary from year to year depending on the types of AMHS components required by our customers in a particular year.

(8) Calculated based on actual annual production divided by annual production capacity and multiplied by 100%.

6.7 R&D

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

6. BUSINESS OVERVIEW (CONT'D)

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

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

Note:-

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

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

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

6. BUSINESS OVERVIEW (CONT'D)

6.8 QA/QC

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

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

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

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

6. BUSINESS OVERVIEW (CONT'D)

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

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

6.9 Technology used

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

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

6.10 Marketing strategies and activities

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

6.10.1 Referrals and direct approach

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

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

6. BUSINESS OVERVIEW (CONT'D)

6.10.2 Trade fairs, exhibitions and industry networking events

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

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

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

6.10.3 Media advertising

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

6.10.4 Corporate website

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

6.11 Seasonality

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

6. BUSINESS OVERVIEW (CONT'D)

6.12 Employees

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

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

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

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

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

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

6. BUSINESS OVERVIEW (CONT'D)

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

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

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

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

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6. BUSINESS OVERVIEW (CONT'D)

6.13 Major customers

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

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

Notes:-

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

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

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

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

6. BUSINESS OVERVIEW (CONT'D)

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

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

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

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

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

6. BUSINESS OVERVIEW (CONT'D)

6.14 Major suppliers

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

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

Note:-

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

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

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

6. BUSINESS OVERVIEW (CONT'D)

6.15 Types, sources and availability of input materials and services

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

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

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

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

Notes:-

(1) Comprise electronic and mechanical parts, which includes, amongst others, sensors, bearings, cables, motors, device servers, radio frequency identification (RFID) readers, ICs, switches, connectors and linear guides.

(2) Comprise amongst others, aluminium extrusion profiles, plates, bases, sheet metal covers, rollers and pulleys.

(3) Comprise amongst others, hand tools, measuring instruments, small machines and accessories.

(4) Comprise hardware and system installation services procured from third-party service providers for the installation and commissioning of our AMHS solutions at our customers' sites.

(5) Comprise amongst others, fasteners and aluminium structural fittings.

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

6. BUSINESS OVERVIEW (CONT'D)

6.16 Major licences and permits

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

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

6. BUSINESS OVERVIEW (CONT'D)

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

6. BUSINESS OVERVIEW (CONT'D)

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

6. BUSINESS OVERVIEW (CONT'D)

No.	Licensee	Approving authority / Issuer	Description of approval / licence / permit	Licence / Reference No.	Effective and expiry date	Major conditions imposed	Status of compliance
5.	SACO	City of Renton, State of Washington	Business licence to carry out business in the City of Renton, State of Washington	59732	**Date of issuance:** 1 February 2025 **Date of expiry:** 31 January 2026	Licence must be posted in the place of business for which it is used	Complied
6.	SACO	State of Washington	Reseller permit for industrial machinery and equipment merchant wholesalers	A11751025	**Date of issuance:** 1 January 2022 **Date of expiry:** 31 December 2025	This permit can be used to purchase:- • merchandise and inventory for resale without intervening use; • ingredients, components, or chemicals used in processing new articles of tangible personal property produced for sale; • feed, seed, seedlings, fertilizer and spray materials by a farmer; • materials and contract labor for retail/wholesale construction; and • items for dual purposes (consumed/resold). This permit cannot be used to purchase:- • items for personal or household use; • promotional items or gifts; • items used in the business that are not resold; and • materials and contract labor for speculative building.	Complied

6. BUSINESS OVERVIEW (CONT'D)

6.17 Material trademarks and other intellectual property

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

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

6. BUSINESS OVERVIEW (CONT'D)

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

6. BUSINESS OVERVIEW (CONT'D)

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

6. BUSINESS OVERVIEW (CONT'D)

Notes:-

(1) Registration of this trademark shall give no right to the exclusive use of the word "Automation".

(2) We are not materially dependent on the trademark "STRATUS Automation" as our customers primarily purchase our solutions based on system design and quality as well as reliability of service, rather than brand recognition. Accordingly, the non-registration of the trademark is not expected to have any material impact on our business operations or financial performance.

(3) The trademark is valid for 10 years and may be renewed every 10 years and subject to renewal fee paid to the relevant authority.

6.18 Material properties, plant, machinery and equipment

6.18.1 Properties owned by our Group

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

No.	Title / Postal address	Details	Legal / Beneficial owner	Built-up area / Land area (sq ft)	Date of issuance of CF/CCC	Express condition / Restriction in interest	Major encumbrances	Audited NBV as at 31 March 2025 (RM'000)
1.	**Title:** Lot 12147, Mukim 12, Daerah Barat Daya, Negeri Pulau Pinang held under Pajakan Negeri No. Hakmilik 6700 **Postal address:** No. 73-C, Lintang Bayan Lepas, Taman Perindustrian Bayan Lepas, 11900 Bayan Lepas, Pulau Pinang	**Description:** Double storey factory and four-storey factory connected with a link bridge **Existing use:** Factory and office **Tenure:** 60 years lease expiring on 3 April 2056 **Category of land use:** Industrial	SASB	115,266 / 88,479	24 March 2010 and 16 December 2022	**Express condition:** Nil **Restriction in interest:** (i) The land hereby alienated shall not be transferred, charged, leased, subleased, rented or otherwise dealt with in any manner without the written sanction of the State Authority. (ii) The land hereby alienated shall not be subdivided. (iii) The land hereby alienated and all buildings erected thereon shall not be used for any other purpose other than those approved by the Penang Development Corporation and the State Authority.	Charged to Hong Leong Islamic Bank Berhad vide Presentation No. 0799SC2024033472 registered on 20 August 2024	31,902

6. BUSINESS OVERVIEW (CONT'D)

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

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

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

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

6.18.2 Properties rented by our Group

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

6.18.3 Material machinery and equipment

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

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

6. BUSINESS OVERVIEW (CONT'D)

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

6. BUSINESS OVERVIEW (CONT'D)

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

6.19.1 Governing laws and regulations

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

(i) Malaysia

(a) Local Government Act 1976 ("LGA")

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

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

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

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

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

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

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

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

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

6. BUSINESS OVERVIEW (CONT'D)

(c) Customs Act 1967 ("CA 1967")

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

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

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

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

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

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

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

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

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

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

(ii) USA

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

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

(iii) Singapore

(a) Employment Act 1968 ("EA")

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

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

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

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

6.19.2 Environmental, social and governance practices

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

(i) Environmental practices

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

6. BUSINESS OVERVIEW (CONT'D)

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

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

(ii) Social practices

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

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

(iii) Governance structure and practices

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

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

6. BUSINESS OVERVIEW (CONT'D)

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

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

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

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

6.20 Dependency on contracts, agreements, documents or other arrangements

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

6.21 Interruptions to business and operations

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

6.22 Environmental matters

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

6. BUSINESS OVERVIEW (CONT'D)

6.23 Future plans and business strategies

6.23.1 Expansion of our facility

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

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

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

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

6.23.2 Geographical business expansion to overseas market

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

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

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

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

6. BUSINESS OVERVIEW (CONT'D)

6.23.3 Expansion of markets within the semiconductor value chain

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

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

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

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

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