

10. RELATED PARTY TRANSACTIONS

10.1 OUR GROUP'S RELATED PARTY TRANSACTIONS

10.1.1 Material related party transactions

Save as disclosed below, there are no other material related party transactions entered into by our Group which involve the interest, direct or indirect, of our Directors, major shareholders and/or persons connected to them for the Financial Years Under Review and up to the LPD:

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 31 March			From 1 April
				2023	2024	2025	2025 up to the LPD
				RM'000	RM'000	RM'000	RM'000
1.	Our Group and IC Works ⁽¹⁾	Interested Major Shareholders and Directors <ul style="list-style-type: none"> • Dato' Fong Swee Kiang • Teh Chee Hak <p>See Note (1)(a) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.</p>	Sales of silicon IP by our Group to IC Works ⁽²⁾	3,984	-	-	-
				Represents 6.97% of our Group's revenue			
			Payment for the transfer of plant and equipment from IC Works to our Group	-	133	-	-
			See Note (1)(b) for the details of the transfer of assets	Represents 0.22% of our Group's NA			
			Payment for the transfer of deposits from IC Works to our Group	-	82	-	-
			See Note (1)(b) for the details of the transfer of assets	Represents 0.13% of our Group's NA			

10. RELATED PARTY TRANSACTIONS (Cont'd)**Notes:**

- (1) *IC Works is currently in the midst of winding up, which is expected to be completed by June 2026.*
- (a) *Dato' Fong Swee Kiang is our Non-Independent Executive Director and Chief Executive Officer, and Teh Chee Hak is our Non-Independent Executive Director and Chief Technology Officer. Dato' Fong Swee Kiang and Teh Chee Hak are directors and substantial shareholders of IC Works.*
- (b) *On 1 March 2024, all the assets of IC Works were acquired by our Company for a cash consideration of RM214,542.71, being the net book value ("NBV") of the total assets of IC Works based on the unaudited statement of financial position of IC Works as at 28 February 2024.*
- Our Directors (save for Dato' Fong Swee Kiang and Teh Chee Hak) confirm that all the transactions were transacted on an arm's length basis as the consideration was determined based on the NBV of the total assets of IC Works as at 28 February 2024 and on normal commercial terms which were not more favourable to IC Works, and is not detrimental to our non-interested shareholders.*
- (2) *Our Directors (save for Dato' Fong Swee Kiang and Teh Chee Hak) confirm that the transaction was transacted on an arm's length basis, as the selling price was fixed at the prevailing market rate and on normal commercial terms which were not more favourable to IC Works than those generally available to third parties, and is not detrimental to our non-interested shareholders.*

Save for the tenancy agreement for Unit No. 1-17-01, Suntech @ Penang Cybercity, Lintang Mayang Pasir 3, 11950 Bayan Baru, Pulau Pinang, which is expected to be entered into with Freen Sdn Bhd, a person connected to our Promoters by virtue of its directors and shareholders being the daughter of Dato' Fong Swee Kiang and the spouse of Teh Chee Hak, respectively, our Directors confirm that there are no other material related party transactions that have been entered by our Group that involve the interest, direct or indirect, of our Directors, major shareholders and/or persons connected to them but not yet effected up to the date of this Prospectus.

After our Listing, we will be required to seek our shareholders' approval each time we enter into a material related party transaction in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders (which mandate would typically be renewed as required at each AGM of our Company) to enter into such recurrent related party transactions without having to seek separate shareholders' approval each time we wish to enter into such recurrent related party transactions during the validity period of the mandate.

In addition, to safeguard the interest of our Group and non-interested shareholders, and to mitigate any potential conflict of interest situation, our Audit and Risk Management Committee will, among others, supervise and monitor any recurrent related party transaction and the terms thereof and report to our Board for further action, as set out in Section 10.2.1 of this Prospectus.

10.1.2 Related party transactions entered into that are unusual in their nature or conditions

There are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets to which we were a party in respect of the Financial Years Under Review and up to the LPD.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

10.1.3 Material outstanding loans and/or financial assistance (including guarantees of any kind)

(i) Material outstanding loans and/or financial assistance (including guarantees of any kind) made to or for the benefit of related parties

There are no material outstanding loans or financial assistance (including guarantees of any kind) made by our Group to or for the benefit of related parties in respect of the Financial Years Under Review and up to the LPD.

(ii) Material outstanding loans and/or financial assistance (including guarantees of any kind) made by related parties for the benefit of our Group

There are no material outstanding loans or financial assistance (including guarantees of any kind) made by related parties for the benefit of our Group in respect of the Financial Years Under Review and up to the LPD.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

10.2.1 Audit and Risk Management Committee review

Our Audit and Risk Management Committee reviews related party transactions and conflicts of interest situations that may arise within our Company or Group. Our Audit and Risk Management Committee also reviews any transaction, procedure or course of conduct that raises questions of management integrity including our related party transactions. In reviewing the related party transactions, the following, among others, will be considered:

- (i) the rationale and the cost/benefit to our Group are first considered;
- (ii) where possible, comparative quotes will be taken into consideration;
- (iii) that the transactions are based on normal commercial terms and not more favourable to the related parties than those generally available to third parties dealing on an arm's length basis; and
- (iv) that the transactions are not detrimental to our Company's non-interested shareholders.

All reviews by our Audit and Risk Management Committee are reported to our Board for its further action.

10.2.2 Our Group's policy on related party transactions

Related party transactions by their very nature, involve conflicts of interests between our Group and the related parties with whom our Group has entered into such transactions. Some of the officers and the Directors of our Group are also officers, directors and in some cases, shareholders of the related parties of our Group, as disclosed in this Prospectus and, with respect to these related party transactions, may individually and in aggregate have conflicts of interest. It is the policy of our Group that all related party transactions are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to the third parties dealing on arm's length basis with our Group and are not to the detriment of our non-interested shareholders.

In addition, we have adopted a comprehensive corporate governance framework that meets best practice principles to mitigate any potential conflict of interest situations and intend for the framework to be guided by the Listing Requirements and MCCG upon our Listing. The procedures which forms part of the framework include, among others, the following:

- (i) our Board shall ensure that at least half of our Board's members are Independent Directors and will undertake an annual assessment of our Independent Directors;
- (ii) our Directors will be required to immediately make full disclosure of any direct or indirect interest that they may have in any business enterprise that is engaged in or proposed to be engaged in a transaction with our Group, whether or not they believe it is a material transaction. Upon such disclosure, the interested Director shall be required to abstain from deliberation and voting on any resolution related to the related party transaction; and
- (iii) all existing or potential related party transactions would have to be disclosed by the interested party for management reporting. Our management will propose the transactions to our Audit and Risk Management Committee for evaluation and assessment who would, in turn, make a recommendation to our Board.