

## 12. FINANCIAL INFORMATION

### 12.1 HISTORICAL FINANCIAL INFORMATION

The historical consolidated financial information for the Financial Years Under Review presented below have been extracted from the Accountant's Report included in Section 13 of this Prospectus ("**Consolidated Financial Statements**"). Our Consolidated Financial Statements are prepared in accordance with MFRS and IFRS.

The following historical consolidated financial information should be read in conjunction with the "Management's Discussion and Analysis of Financial Conditions and Results of Operations" set out in Section 12.2 of this Prospectus together with the Accountants' Report set out in Section 13 of this Prospectus.

#### Historical consolidated statements of profit or loss and other comprehensive income

	Audited		
	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000
Revenue	57,159	77,063	119,503
Cost of sales	(23,371)	(41,034)	(69,058)
<b>GP</b>	<b>33,788</b>	<b>36,029</b>	<b>50,445</b>
Other income	509	6,831	1,569
Administrative expenses	(6,344)	(9,235)	(15,489)
<b>Operating profit</b>	<b>27,953</b>	<b>33,625</b>	<b>36,525</b>
Finance cost	(91)	(171)	(200)
Finance income	537	1,110	673
<b>PBT</b>	<b>28,399</b>	<b>34,564</b>	<b>36,998</b>
Taxation	242	(856)	(1,055)
<b>PAT</b>	<b>28,641</b>	<b>33,708</b>	<b>35,943</b>
Foreign currency translation differences for foreign operations	-	(1)	10
<b>Total comprehensive income</b>	<b>28,641</b>	<b>33,708</b>	<b>35,953</b>

#### Other selected financial data

	FYE 2023	FYE 2024	FYE 2025
GP margin (%) <sup>(2)</sup>	59.1	46.8	42.2
PBT margin (%) <sup>(3)</sup>	49.7	44.9	31.0
PAT margin (%) <sup>(4)</sup>	50.1	43.7	30.1
EBITDA (RM'000) <sup>(5)</sup>	29,331	32,026	43,361
EBITDA margin (%) <sup>(6)</sup>	51.3	41.6	36.3
Basic and diluted EPS (sen) <sup>(7)</sup>	1.59	1.88	2.00

#### Notes:

- (1) Less than RM100.
- (2) Computed based on GP over revenue.
- (3) Computed based on PBT over revenue.
- (4) Computed based on PAT over revenue.

**12. FINANCIAL INFORMATION (Cont'd)**

- (5) EBITDA is calculated as PAT add (i) taxation, (ii) finance cost; and (iii) depreciation and amortisation, less (iv) finance income. The following table reconciles our PAT to EBITDA for the Financial Years Under Review:

	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
PAT	28,641	33,708	35,943
<b>Add/(Less):</b>			
Taxation	(242)	856	1,055
Finance cost	91	171	200
Depreciation and amortisation	1,378	(1,599)	6,836
Finance income	(537)	(1,110)	(673)
<b>EBITDA</b>	<b>29,331</b>	<b>32,026</b>	<b>43,361</b>

- (6) Computed based on EBITDA over revenue.
- (7) Computed based on PAT over our enlarged issued Shares of 1,796,000,000 upon our Listing.

**Selected historical consolidated statements of financial position**

	<b>Audited</b>		
	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Total non-current assets	7,116	18,621	48,398
Total current assets	61,280	65,293	85,547
<b>Total assets</b>	<b>68,396</b>	<b>83,914</b>	<b>133,945</b>
Share capital	2,000	3,000	3,000
ICPS	-	-	29,250
Reserves	-	(2)-	10
Retained earnings	43,419	58,127	94,070
<b>Total equity</b>	<b>45,419</b>	<b>61,127</b>	<b>126,330</b>
Total non-current liabilities	3,033	4,162	3,601
Total current liabilities	19,944	18,625	4,014
<b>Total liabilities</b>	<b>22,977</b>	<b>22,787</b>	<b>7,615</b>
<b>Total equity and liabilities</b>	<b>68,396</b>	<b>83,914</b>	<b>133,945</b>
Lease liabilities	3,070	4,313	3,196
Gearing ratio (times) <sup>(1)</sup>	0.1	0.1	(3)-

**Notes:**

- (1) Computed based on lease liabilities over total equity.
- (2) Less than RM100.
- (3) Less than 0.05 times.

## 12. FINANCIAL INFORMATION *(Cont'd)*

### 12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations is based on our consolidated financial information with respect to the FYEs 31 March 2023, 31 March 2024 and 31 March 2025, which have been derived from the Accountants' Report as set out in Section 13 of this Prospectus.

There are no accounting policies which are peculiar to our Group because of the nature of the business and industry which we are involved in. For further details on the accounting policies of our Group, see Note 3 of the Accountants' Report as set out in Section 13 of this Prospectus.

#### 12.2.1 Overview of our business

We are an IC design company specialising in silicon IPs, including standard silicon IPs and custom silicon IPs, as well as silicon products including custom ASICs. We provide licensable silicon IPs to customers to integrate into their IC products. We also design and develop custom ASIC products which are semiconductor chips used for a specific application rather than for general-purpose use.

#### 12.2.2 Significant factors affecting our financial condition and results of operations

Significant factors that had affected and are expected to continue to affect our financial condition and results of operations are as follows:

(a) **Our revenue and profitability could vary from year to year or quarter to quarter as they are dependent on our ability to secure new contracts and timing of revenue recognition**

Our revenue and profitability could vary from year to year or quarter to quarter. This is demonstrated by our revenue for the Financial Years Under Review, where our revenue experienced an increase of 34.8% for the FYE 31 March 2024 compared to the FYE 31 March 2023, followed by growth of 55.1% for the FYE 31 March 2025 compared to the FYE 31 March 2024. For further details of the year-on-year analysis of our revenue, see Section 12.2.5 of this Prospectus.

As an original designer of silicon IP, we are involved in the design and development of silicon IP mainly based on fixed lump sum contracts where revenue is recognised over time based on completion of work performed. As such, our financial performance is dependent on our ability to secure new contracts to expand our business.

In addition, revenue recognised from our custom ASIC segment comprises product sales as well as revenue recognised over time based on percentage of completion of work performed. Billings are issued based on milestones stipulated in the contract, which may include multiple stages of product development, depending on the contract. For the FYE 31 March 2025, our revenue from our custom ASIC segment includes revenue from product sales and revenue recognised over time based on the percentage of completion of work performed.

Notwithstanding the above, there can be no assurance that we will be able to achieve a similar growth rate in terms of our financial performance in the future due to internal and/or external factors such as any adverse changes in economic and social conditions and/or regulatory conditions and policies, and competition as well as any delays or failures in executing our business strategies and plans effectively.

## 12. FINANCIAL INFORMATION (Cont'd)

**(b) A significant portion of our revenue is derived from a small group of customers, and our inability to secure new customers may negatively impact our financial performance**

For the Financial Years Under Review, there was customer concentration risks where a large portion of our total revenue was derived from a small group of customers. However, our customer base has increased from 4 customers for the FYE 31 March 2023 to 14 customers for the 31 March 2025.

For the Financial Years Under Review, customers with revenue contribution of more than 10% of our revenue in any of the Financial Years Under Review, collectively accounted for 89.6% (2 customers), 81.7% (4 customers), and 60.5% (3 customers) of our total revenue for the FYEs 31 March 2023, 31 March 2024, and 31 March 2025 respectively. See Section 5.1.9 of this Prospectus for further details on customer concentration risk.

As the above customers collectively accounted for a significant portion of our total revenue, the loss of any one or a few of these major customers, if they are not replaced promptly either at comparable or higher contract values, could adversely affect our business operations and financial performance. Additionally, we may face difficulties in promptly securing new customers to replace any decline in our sales. While we may be able to secure new customers, there is no assurance that we will achieve comparable or higher sales and profit margins.

**(c) Our business and financial performance is dependent on our ability to keep up with technological advancements**

Our business and financial performance depend on our ability to stay current with technological advancements and meet the growing demands of our customers. This is demonstrated by our revenue growth during the Financial Years Under Review, where our revenue increased from RM57.2 million for the FYE 31 March 2023 to RM119.5 million for the FYE 31 March 2025, reflecting a CAGR of 44.6%. This growth was driven by the increase in revenue from our standard silicon IP segment, including memory interface IP and Network-on-Chip IP. In addition, the sales of our new custom ASIC products also contributed to our revenue growth during this period.

Failure to promptly adapt to suitable technological changes and innovations could adversely affect our business and financial performance. For further details, see Section 5.1.4 of this Prospectus.

**(d) Availability of funds to support our R&D activities and business expansion**

Our business has been funded by a combination of internal and external sources of funds. The internal sources consist of shareholders' equity and cash generated from our operations, while the external source of funds was mainly government grants received.

We rely on various sources of funding to support our R&D activities, keeping pace with rapid technological advancements, and developing new and enhanced products. Technical staff costs are our primary operating expenses, mainly consisting of the salaries of skilled technical personnel involved in the design and development of silicon IPs and related activities. For the FYEs 31 March 2023, 31 March 2024 and 31 March 2025, technical staff costs represented 90.2% (RM21.1 million), 89.5% (RM36.7 million) and 79.5% (RM54.9 million) of our cost of sales, respectively.

Failure to secure adequate funding, whether internally generated or externally sourced, to sustain our technical resources and on-going innovations may adversely impact our operations and future expansion.

**12. FINANCIAL INFORMATION (Cont'd)**

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**(e) Our business and financial performance may be affected in the event of any delivery delays, termination or suspension of contracts**

Our arrangements with customers are mainly based on fixed contract values and agreed-upon milestones specified in the contracts. While we closely monitor and manage the progress of the development and adhere to the schedule in the contract, there is a risk that we may not be able to complete our designs on time. The timely completion of our designs is dependent on external factors including unanticipated delays during planning and development or shortage of skilled technical professionals. In addition, our scope of work includes verification and testing, which may require corrections or adjustments, subject to customer evaluation and acceptance tests, and could potentially cause further delays.

In the event of any delays in the timing of our deliverables, we may face penalties, or our contracts may be terminated if we fail to provide a viable solution that meets the customer's acceptance criteria. In the event of any delays that are caused by the customer, we may negotiate for supplemental contracts to cover additional costs incurred due to the delay. For the Financial Years Under Review and up to the LPD, our business and financial performance have not been materially impacted by delays. For further details, see to Section 5.1.11 of this Prospectus.

**(f) We may be subjected to cost increase, and reputational and legal risks arising from design errors**

We specialise in silicon IPs and custom ASICs, where silicon IPs are integrated into our customers' IC products and custom ASICs are incorporated into electronic systems. Any part of our design and development may be vulnerable to design errors and this could impact the performance of our customers' IC products and/or electronic systems, potentially resulting in financial losses for our customers. If these errors were traced back to us, working relationships with our customers may be negatively affected, our market reputation could suffer and we may face the risk of legal action.

For the Financial Years Under Review and up to the LPD, we have not experienced any claims from customers arising from design errors.

In addition, our sales cycle for new silicon IP development typically ranges from 3 to 12 months, depending on the complexity of our customers' specifications and requirements for silicon IP. Prolonged sales cycles can lead to increased operational costs due to extended marketing efforts, lengthy customer education and evaluation processes, and additional customer support and engineering resources. Extended sales cycles may also affect demand, delay commercialisation, strain cash liquidity and result in reduced revenue.

**(g) Impact of foreign exchange fluctuations**

We are exposed to foreign currency fluctuations, primarily USD and RMB arising from our export sales of silicon IP and custom ASIC. In addition, our procurement of software tools and design services for our operations are transacted in RM, USD and VND. As such, any unfavourable movement in exchange rates between RM and USD/RMB/VND would negatively affect our financial performance.

**12. FINANCIAL INFORMATION (Cont'd)**

Details of our foreign currency exchange gains and losses during the Financial Years Under Review are as follows:

	FYE 31 March		
	2023	2024	2025
	RM'000	RM'000	RM'000
Net realised gain on foreign exchange	-	78	78
Net unrealised (loss)/gain on foreign exchange	(1,573)	1,365	(1,171)
<b>Net (loss)/gain</b>	<b>(1,573)</b>	<b>1,443</b>	<b>(1,093)</b>

Any unfavourable foreign currency exchange rate fluctuations could materially affect our financial performance. As at the LPD, we have foreign exchange hedging facilities that have yet to be utilised. The foreign exchange hedging facilities are intended to manage the risk of losses caused by fluctuations in foreign currency exchange rates.

**(h) Government/economic/fiscal/monetary policies**

The Malaysian government is actively promoting the IC design industry through initiatives and incentives including budget allocations, tax exemptions and the National Industrial Master Plan, which focuses on strengthening IC design capabilities and growth in sectors such as electric vehicles and AI. Furthermore, AI chip collaborations are being pursued to boost IC development. See Section 8 of this Prospectus for further details on the industry outlook and prospects.

For the Financial Years Under Review, the amortisation of grants contributed RM0.1 million, RM4.1 million and RM0.1 million to our PAT for the FYEs 31 March 2023, 31 March 2024 and 31 March 2025 respectively.

We also benefitted from approved tax exemption as reflected in our effective tax rate which was lower than the statutory tax rate of 24% for the Financial Years Under Review. Our effective tax rate was 2.5% and 2.9% for the FYEs 31 March 2024 and 31 March 2025 respectively, attributed to the approved tax exemption under Section 127(3A) of the Income Tax Act 1967 for statutory income derived from our activities of design and development of IC, and sales of IP, software and ASIC, which had expired on 9 September 2025. Prior to the expiry, we had, on 9 June 2025, submitted an application to MIDA for a tax exemption under Section 127(3A) of the Income Tax Act 1967 for our IC design activities, and as at the LPD, the application remains under review. While the financial performance of our Malaysian operations would be materially affected after taking into account the potential increase in our effective tax rate and the corresponding impact to the profitability of our Malaysian operations in the event we are not able to obtain the tax exemption from MIDA, we had, on 30 September 2025, obtained confirmation from the Department of Science and Technology of Da Nang City that SkyeChip Da Nang is an enterprise operating in the semiconductor sector, and is therefore entitled to the 5-year corporate income tax exemption commencing from May 2025. We expect to progressively scale up our operations for SkyeChip Da Nang by increasing the headcount of our Vietnam operations from 19 employees as at the LPD to 90 employees by the end of 2026. This will increase the contribution of our Vietnam operations to our Group's revenue and profitability. We expect SkyeChip Da Nang to contribute approximately 12% to 17% of our total revenue for the FYE 31 March 2026 based on anticipated contracts to be secured and progress of existing contracts. The gradual scaling up of our operations in Vietnam is also in line with our Group's business strategy and design and development roadmap. For further details, see Section 7.5.4(i) of this Prospectus.

## 12. FINANCIAL INFORMATION (Cont'd)

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Therefore, the expiry of the Malaysian tax exemption is not expected to result in our Group being subject to the full prevailing Malaysian statutory corporate income tax rate of 24%, as our Group's effective tax rate for the FYE 31 March 2026 is estimated to be approximately 5.0% or less.

With the geographical distribution of our operations between Malaysia and Vietnam as well as the expiry of the Malaysian tax exemption from 10 September 2025 to-date, our Group's effective tax rate for the FYE 31 March 2026 would be higher than our Group's effective tax rate for the FYE 31 March 2025, but still significantly lower than the Malaysian statutory corporate income tax rate of 24%. In addition, in the event that the application for tax exemption from the MIDA is not obtained, we will consider an application for Malaysian Digital (MD) tax incentives from MDEC, where if granted, could lower our Group's effective tax rate.

Our business is subject to risks relating to government, economic, fiscal or monetary policies in Malaysia and foreign countries including countries that we serve. Any unfavourable changes in government policies, economic conditions, or fiscal or monetary policies may materially affect our operations in Malaysia. For further details, see Section 5.2.1 of this Prospectus.

### 12.2.3 Significant accounting estimates and judgements

The preparation of financial statements requires our management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significantly affected the amount that were recognised in the consolidated financial statements other than those disclosed in the following notes:

- Note 3.1 – Judgements made in applying accounting policies; and
- Note 3.2 – Key source of estimation uncertainty.

For further details, see Section 13 of this Prospectus.

## 12. FINANCIAL INFORMATION (Cont'd)

### 12.2.4 Overview of our results of operations

We are an IC design company specialising in silicon IPs, including standard silicon IPs and custom silicon IPs, as well as silicon products including custom ASICs. For the Financial Years Under Review, our revenue was mainly derived from custom and standard silicon IP design. Our arrangements with customers are based on fixed contract value and agreed milestones as stipulated in the contracts. Our revenue for the standard and custom silicon IP design is recognised over time based on the percentage of completion.

During the FYE 31 March 2025, our revenue was also derived from our custom ASIC segment. Revenue is derived from our custom ASIC, including product sales based on confirmed purchase orders as well as revenue recognised over time based on percentage of completion. The billings issued for design and development work are based on milestones stipulated in the contracts.

For the Financial Years Under Review, our revenue is transacted in USD, RMB and RM.

Our standard silicon IP was commercialised in the FYE 31 March 2023 and revenue from standard silicon IP comprising the sales of memory interface IP and Network-on-Chip IP accounted for 44.6%, 62.4% and 62.6% of our revenue for the FYEs 31 March 2023, 31 March 2024 and 31 March 2025 respectively.

Revenue contribution from our custom silicon IP accounted for 55.4%, 36.6% and 9.2% of our revenue for the FYEs 31 March 2023, 31 March 2024 and 31 March 2025 respectively.

Between the FYEs 31 March 2023 and 31 March 2025, our revenue increased at a CAGR of 44.6%, from RM57.2 million for the FYE 31 March 2023 to RM119.5 million for the FYE 31 March 2025. The growth in our revenue was mainly contributed by the increase in demand from our standard silicon IP including memory interface IP and Network-on-Chip IP, as well as sales of our new custom ASIC products.

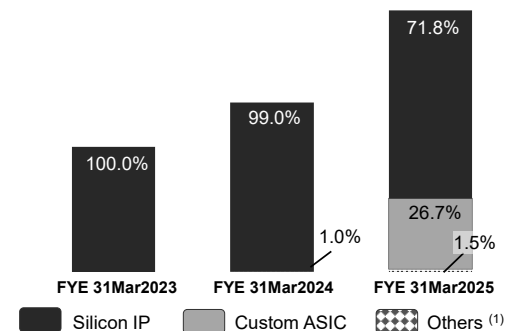
See Section 12.2.5 of this Prospectus for a year-on-year analysis of revenue by products and services.

### 12.2.5 Revenue

#### (i) By products and services

	FYE 31 March					
	2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%
Silicon IP segment	57,159	100.0	76,327	99.0	85,739	71.8
Standard silicon IP <sup>(1)</sup>	25,486	44.6	48,115	62.4	74,771	62.6
Custom silicon IP	31,673	55.4	28,212	36.6	10,968	9.2
Custom ASIC segment	-	-	-	-	31,934	26.7

#### Revenue by products and services



	FYE 31 March		
	2023 RM'000	2024 RM'000	2025 RM'000
Silicon IP segment	57,159	76,327	85,739
Custom ASIC segment	-	-	31,934
Others <sup>(1)</sup>	-	736	1,830
<b>Total revenue</b>	<b>57,159</b>	<b>77,063</b>	<b>119,503</b>

**Note:** (1) Include design services based on requests from customers for FYEs 31 March 2024 and 31 March 2025, as well as design of memory test system for FYE 31 March 2025

## 12. FINANCIAL INFORMATION (Cont'd)

	FYE 31 March					
	2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%
Others <sup>(2)</sup>	-	-	736	1.0	1,830	1.5
<b>Total</b>	<b>57,159</b>	<b>100.0</b>	<b>77,063</b>	<b>100.0</b>	<b>119,503</b>	<b>100.0</b>

**Notes:**

(1) Includes memory interface IP and Network-on-Chip IP, of which the breakdown for the Financial Years Under Review is as follows:

	FYE 31 March					
	2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%
Memory interface IP	7,482	13.1	28,099	36.4	47,169	39.5
Network-on-Chip IP	18,004	31.5	20,016	26.0	27,602	23.1
<b>Total</b>	<b>25,486</b>	<b>44.6</b>	<b>48,115</b>	<b>62.4</b>	<b>74,771</b>	<b>62.6</b>

(2) Include design services based on requests from customers for the FYEs 31 March 2024 and 31 March 2025, as well as design of memory test systems for the FYE 31 March 2025.

**(ii) By geographical markets**

	FYE 31 March					
	2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%
<b>Malaysia</b>	<b>3,984</b>	<b>7.0</b>	<b>-</b>	<b>-</b>	<b>9,704</b>	<b>8.1</b>
<b>Foreign countries</b>	<b>53,175</b>	<b>93.0</b>	<b>77,063</b>	<b>100.0</b>	<b>109,799</b>	<b>91.9</b>
- China	35,171	61.5	56,124	72.8	67,473	56.5
- Taiwan	18,004	31.5	19,136	24.8	39,997	33.5
- Singapore	-	-	1,803	2.4	1,237	1.0
- Hong Kong	-	-	-	-	1,092	0.9
<b>Total</b>	<b>57,159</b>	<b>100.0</b>	<b>77,063</b>	<b>100.0</b>	<b>119,503</b>	<b>100.0</b>

**(iii) Number of customers and number of projects**

	FYE 31 March		
	2023	2024	2025
Number of customers	4	8	14
Number of projects	7	13	21
- Standard silicon IP	4	8	15
- Custom silicon IP	3	5	4
- Custom ASIC segment	-	-	2

**12. FINANCIAL INFORMATION (Cont'd)****(a) FYE 31 March 2024 compared to FYE 31 March 2023**

Our revenue increased by RM19.9 million or 34.8% to RM77.1 million for the FYE 31 March 2024 (FYE 31 March 2023: RM57.2 million), which was mainly attributed to higher revenue from our standard silicon IP segment as follows:

- revenue from standard silicon IP segment increased by RM22.6 million or 88.8% to RM48.1 million for the FYE 31 March 2024 (FYE 31 March 2023: RM25.5 million). This was mainly contributed by the higher number of projects secured for our standard memory interface IPs. In addition, our number of customers of memory interface IP increased from 2 customers for the FYE 31 March 2023 to 5 customers for the FYE 31 March 2024.

The increase was also partially contributed by the increase in revenue from Network-on-Chip IP due to additional project secured for the Network-on-Chip IP.

The increase was partially moderated by the decrease in revenue of RM3.5 million or 10.9% from our custom silicon IP segment mainly attributed to certain projects nearing completion for the FYE 31 March 2024 as the bulk of design and development works were completed.

For the FYE 31 March 2024, we recorded revenue of RM0.7 million for the provision of design services.

**(b) FYE 31 March 2025 compared to FYE 31 March 2024**

Our revenue increased by RM42.4 million or 55.1% to RM119.5 million for the FYE 31 March 2025 (FYE 31 March 2024: RM77.1 million). This was mainly attributed to revenue from our custom ASIC segment as well as higher revenue from our silicon IP segment driven by standard silicon IP as follows:

- revenue from our custom ASIC segment was RM31.9 million for the FYE 31 March 2025 which was attributed to the completion of the design stages of custom ASIC as well as sales of our new custom ASIC products following the commercialisation of one of our IoT ASICs. This IoT ASIC is a specialised IC designed to optimise for AI edge computing applications.
- revenue from our standard silicon IP increased by RM26.7 million or 55.4% to RM74.8 million for the FYE 31 March 2025 (FYE 31 March 2024: RM48.1 million), mainly contributed by projects secured for a new generation of memory interface IPs, coupled with higher number of projects relating to Network-on-Chip IP.

The increase was partially moderated by the decrease in revenue of RM17.2 million or 61.1% from our custom silicon IP segment mainly due to completion of various projects in relation to the design of custom multi-protocol interface IPs for a customer.

For the FYE 31 March 2025, we recorded revenue of RM1.8 million for the provision of design services as well as the design of memory test systems.

## 12. FINANCIAL INFORMATION (Cont'd)

### 12.2.6 Cost of sales

#### (i) By components

	FYE 31 March					
	2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%
Technical staff costs <sup>(1)</sup>	21,088	90.2	36,737	89.5	54,924	79.5
Software tools costs	1,046	4.5	3,145	7.7	4,776	6.9
Depreciation <sup>(2)</sup>	-	-	628	1.5	3,785	5.5
Others <sup>(3)</sup>	1,237	5.3	524	1.3	5,573	8.1
<b>Total</b>	<b>23,371</b>	<b>100.0</b>	<b>41,034</b>	<b>100.0</b>	<b>69,058</b>	<b>100.0</b>

**Notes:**

- (1) Comprising engineers' salaries and related costs.
- (2) Comprising depreciation of our prototype equipment and engineering tools.
- (3) Mainly include outsourcing of IC and printed circuit board design and assembly services for the Financial Years Under Review as well as purchase of semiconductor materials and manufacturing services for the FYE 31 March 2025.

#### (ii) By products and services

	FYE 31 March					
	2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%
Silicon IP segment	23,371	100.0	39,370	95.9	49,420	71.6
Standard silicon IP	9,307	39.8	28,840	70.3	44,244	64.1
Custom silicon IP	14,064	60.2	10,530	25.6	5,176	7.5
Custom ASIC segment	-	-	1,266	3.1	18,646	27.0
Others <sup>(1)</sup>	-	-	398	1.0	992	1.4
<b>Total</b>	<b>23,371</b>	<b>100.0</b>	<b>41,034</b>	<b>100.0</b>	<b>69,058</b>	<b>100.0</b>

**Note:**

- (1) Include design services based on requests from customers for the FYEs 31 March 2024 and 31 March 2025 as well as design of memory test systems for the FYE 31 March 2025.

#### (a) Technical staff costs

Technical staff costs consist of salaries, bonus payments and other related staff costs for professional staff involved directly in design and development for silicon IP and custom ASIC, and related software development activities.

**12. FINANCIAL INFORMATION (Cont'd)**

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For the FYE 31 March 2024, technical staff costs increased by RM15.6 million or 74.2%, due to an increase in engineering headcount and salaries. Our technical personnel increased from 122 staff as at 31 March 2023 to 222 staff as at 31 March 2024. This was mainly to support the expansion of our business as reflected in our revenue growth of 34.8% for the FYE 31 March 2024.

For the FYE 31 March 2025, technical staff costs increased by RM18.2 million or 49.5%, due to an increase in engineering headcount and salaries. Our technical personnel increased from 222 staff as at 31 March 2024 to 303 staff as at 31 March 2025. This was mainly to support the expansion of our business as reflected in our revenue growth of 55.1% for the FYE 31 March 2025.

**(b) Software tool costs**

Software tool costs comprise mainly licensing fees for the use of EDA tools that are used in design works for our silicon IP and custom ASIC business operations.

For the FYE 31 March 2024, software tool costs increased by RM2.1 million or 200.7% attributed to the higher fees incurred as a result of additional tools and features subscribed.

For the FYE 31 March 2025, software tool costs increased by RM1.6 million or 51.9% attributed to the higher fees incurred as a result of additional tools and features subscribed.

**(c) Depreciation**

Depreciation comprised depreciation of our prototype equipment and engineering tools.

For the FYE 31 March 2024, we recorded depreciation costs of RM0.6 million pertaining to prototypes and the mask set (a collection of individual semiconductor photomasks) used for the development of an IoT ASIC.

For the FYE 31 March 2025, depreciation costs increased by RM3.2 million or 502.9% pertaining to the mask set for IoT ASICs and prototypes.

**(d) Others**

Others mainly include outsourcing of IC and printed circuit board design and assembly services, where we engaged third parties to perform design and assembly services including circuit design and custom layout based on our specifications, and semiconductor materials and manufacturing services. The services are provided on an ad-hoc basis as and when it is required.

For the FYE 31 March 2024, other cost of sales decreased by approximately RM0.7 million or 57.6%, which was mainly due to a decrease in costs for outsourcing of IC and printed circuit board design and assembly services during the FYE 31 March 2024.

For the FYE 31 March 2025, other cost of sales increased by RM5.0 million or 963.4%, which was mainly due to the semiconductor materials and manufacturing services purchased for our custom ASIC segment, as well as increase in costs for outsourcing of IC and printed circuit board design and assembly services during the FYE 31 March 2025.

## 12. FINANCIAL INFORMATION (Cont'd)

### 12.2.7 GP

#### (i) By products and services

	FYE 31 March								
	2023			2024			2025		
	GP RM'000	GP margin %	GP margin %	GP RM'000	GP margin %	GP margin %	GP RM'000	GP margin %	GP margin %
Silicon IP segment	33,788	100.0	59.1	36,957	102.6	48.4	36,319	72.0	42.4
Custom ASIC segment	-	-	-	(1,266)	(3.5)	#	13,288	26.3	41.6
Others <sup>(1)</sup>	-	-	-	338	0.9	45.9	838	1.7	45.8
<b>Total / GP margin</b>	<b>33,788</b>	<b>100.0</b>	<b>59.1</b>	<b>36,029</b>	<b>100.0</b>	<b>46.8</b>	<b>50,445</b>	<b>100.0</b>	<b>42.2</b>

# Not applicable due to initial development cost incurred.

**Note:**

(1) Include design services based on requests from customers for the FYEs 31 March 2024 and 31 March 2025 as well as design of memory test systems for the FYE 31 March 2025.

**12. FINANCIAL INFORMATION (Cont'd)****(a) FYE 31 March 2024 compared to FYE 31 March 2023**

Our GP increased by RM2.2 million or 6.6% to RM36.0 million for the FYE 31 March 2024 (FYE 31 March 2023: RM33.8 million), mainly attributed to higher GP contribution from our silicon IP segment. This was attributed to new projects for our standard silicon IP mainly memory interface IP. This was reflected in our revenue growth of 88.8% from standard silicon IP for the FYE 31 March 2024.

Our GP margin decreased from 59.1% for the FYE 31 March 2023 to 46.8% for the FYE 31 March 2024, mainly attributed to the higher technical staff costs for our design and development of silicon IP and custom ASIC. This was reflected in the higher proportion of cost of sales relative to revenue, particularly in technical staff costs where the proportion of technical staff costs against revenue increased from 36.9% for the FYE 31 March 2023 to 47.7% for the FYE 31 March 2024, on the back of an increase in headcount for the design and development works performed.

**(b) FYE 31 March 2025 compared to FYE 31 March 2024**

Our GP increased by RM14.4 million or 40.0% to RM50.4 million for the FYE 31 March 2025 (FYE 31 March 2024: RM36.0 million). This was mainly attributed by GP contribution from our custom ASIC segment due to the completion of the design and sales of our new custom ASIC products. This was also reflected in our revenue of RM31.9 million generated from our custom ASIC segment for the FYE 31 March 2025.

Our GP margin decreased to 42.2% for the FYE 31 March 2025 (FYE 31 March 2024: 46.8%), mainly attributed to the higher depreciation, as well as the purchase of semiconductor materials and manufacturing services for our custom ASIC segment. This was reflected in the higher proportion of the said costs against revenue which increased from 0.8% for the FYE 31 March 2024 to 5.7% for the FYE 31 March 2025. In addition, the decrease in GP margin was also partly attributed to higher outsourcing of IC design expenses for the silicon IP and custom ASIC segments.

**12.2.8 Finance and other income**

	FYE 31 March					
	2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%
Other income:						
Amortisation of government grants <sup>(1)</sup>	132	12.6	4,080	51.4	104	4.6
Gain on foreign exchange	-	-	1,444	18.2	84	3.7
Miscellaneous income <sup>(2)</sup>	377	36.0	508	6.4	1,102	49.2
Gain on disposal of other investments	-	-	438	5.5	127	5.7
Fair value adjustment on investments	-	-	361	4.5	152	6.8
	509	48.6	6,831	86.0	1,569	70.0
Finance income	537	51.4	1,110	14.0	673	30.0
<b>Total</b>	<b>1,046</b>	<b>100.0</b>	<b>7,941</b>	<b>100.0</b>	<b>2,242</b>	<b>100.0</b>

**Notes:**

- (1) Government grants were received for the purchase of plant and equipment, patent registration and qualified operating expenses.
- (2) Mainly includes reimbursement of training from the Human Resource Development Fund and other incentives and subsidies received from the government.

**12. FINANCIAL INFORMATION (Cont'd)****(a) FYE 31 March 2024 compared to FYE 31 March 2023**

Our other income increased by RM6.3 million or 1242.0% to RM6.8 million for the FYE 31 March 2024 (FYE 31 March 2023: RM0.5 million). This was mainly attributed to the increase in amortisation of grants by RM3.9 million arising from higher expenses incurred to support the design and development activities. In addition, the increase was partly contributed by RM1.4 million of gains on foreign exchange for the FYE 31 March 2024.

The finance income increased by RM0.6 million or 106.7% to RM1.1 million for the FYE 31 March 2024 (FYE 31 March 2023: RM0.5 million) arising from interest received mainly from short-term investments including bonds and money market instruments.

**(b) FYE 31 March 2025 compared to FYE 31 March 2024**

Our other income decreased by RM5.3 million or 77.0% to RM1.6 million for the FYE 31 March 2025 (FYE 31 March 2024: RM6.8 million) and this was mainly due to the decrease in amortisation of grants during the FYE 31 March 2025, coupled with the decrease in gains on foreign exchange.

The finance income decreased by RM0.4 million or 39.4% to RM0.7 million for the FYE 31 March 2025 (FYE 31 March 2024: RM1.1 million), mainly due to lower interest received following the disposal of short-term bond instruments.

**12.2.9 Administrative expenses**

	FYE 31 March					
	2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%
Directors' remuneration	952	15.0	2,273	24.6	3,324	21.5
Depreciation and amortisation <sup>(1)</sup>	1,510	23.8	1,852	20.1	3,154	20.4
Staff costs <sup>(2)</sup>	1,014	16.0	1,877	20.3	2,612	16.9
Professional fees	162	2.5	392	4.2	1,985	12.8
Loss on foreign exchange	1,573	24.8	1	*	1,177	7.6
Office-related expenses	366	5.8	568	6.2	990	6.4
Sales and marketing expenses	104	1.6	371	4.0	884	5.7
Rental	10	0.2	544	5.9	97	0.6
Others <sup>(3)</sup>	653	10.3	1,357	14.7	1,266	8.1
<b>Total</b>	<b>6,344</b>	<b>100.0</b>	<b>9,235</b>	<b>100.0</b>	<b>15,489</b>	<b>100.0</b>

**Notes:**

\* Less than 0.1%

(1) Includes depreciation of plant and equipment, depreciation of right-of-use assets mainly for rental of office premises, and amortisation of intangible assets.

(2) Include staff welfare and employee benefits expenses.

(3) Others mainly include insurance, licensing fees pertaining to the subscription of office software, membership subscription fees, as well as research grants for the Financial Years Under Review, fair value loss on other investments for the FYEs 31 March 2023, reversal in amortisation of government grants for the FYE 31 March 2024, and withholding tax expenses for the FYE 31 March 2025.

**12. FINANCIAL INFORMATION (Cont'd)****(a) FYE 31 March 2024 compared to FYE 31 March 2023**

Our administrative expenses increased by RM2.9 million or 45.6% to RM9.2 million for the FYE 31 March 2024 (FYE 31 March 2023: RM6.3 million). This was mainly attributed to higher directors' remuneration which increased by RM1.3 million, as well as an increase in staff costs by RM0.9 million arising from higher referral and sign-up bonuses for engineers, and the hiring of a key senior management personnel and supporting staff. The higher administrative expenses were also partly attributed to the increase of RM0.3 million in depreciation and amortisation mainly relates to the depreciation of right-of-use assets from additional rented office premises for the FYE 31 March 2024.

**(b) FYE 31 March 2025 compared to FYE 31 March 2024**

Our administrative expenses increased by RM6.3 million or 67.7% to RM15.5 million for the FYE 31 March 2025 (FYE 31 March 2024: RM9.2 million), mainly attributed to the following:

- increase in professional fees by RM1.6 million mainly attributed to IPO related expenses and legal fees;
- increase in depreciation and amortisation by RM1.3 million relating to intangible assets, computer and software, and rental of office premises;
- increase in loss of foreign exchange by RM1.2 million mainly arising from bank balances denominated in USD;
- increase in directors' remuneration by RM1.1 million; and
- increase in staff costs by RM0.7 million arising mainly from higher referral and sign-up bonuses for engineers.

**12.2.10 Finance cost**

	FYE 31 March					
	2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%
Accretion of interest on lease liabilities	91	100.0	171	100.0	200	100.0
<b>Total</b>	<b>91</b>	<b>100.0</b>	<b>171</b>	<b>100.0</b>	<b>200</b>	<b>100.0</b>

**(a) FYE 31 March 2024 compared to FYE 31 March 2023**

Our finance cost increased by approximately RM80,000 or 87.9% to RM0.2 million for the FYE 31 March 2024 (FYE 31 March 2023: RM91,000), which was mainly due to the higher accretion of interest on lease liabilities. This was attributed to an increase in right-of-use assets recognised for the additional rented office premises for the FYE 31 March 2024.

**(b) FYE 31 March 2025 compared to FYE 31 March 2024**

Our finance cost increased by approximately RM29,000 or 17.0% to RM0.2 million for the FYE 31 March 2025 (FYE 31 March 2024: RM0.2 million), which was mainly due to the higher accretion of interest on lease liabilities in relation to additional rental office premises.

**12. FINANCIAL INFORMATION (Cont'd)****12.2.11 PBT, PAT and effective tax rate**

	FYE 31 March		
	2023	2024	2025
PBT (RM'000)	28,399	34,564	36,998
PBT margin	49.7%	44.9%	31.0%
Tax income / (expense) (RM'000)	242 <sup>(1)</sup>	(856)	(1,055)
Effective tax rate	-	2.5%	2.9%
PAT (RM'000)	28,641	33,708	35,943
PAT margin	50.1%	43.7%	30.1%

**Note:**

(1) Due to overprovision of deferred tax in the prior year.

We assume responsibility for the remittance of withholding tax to the relevant tax authorities, on royalty payments made to non-residents.

**(a) FYE 31 March 2024 compared to FYE 31 March 2023**

Our PBT increased by RM6.2 million or 21.7% to RM34.6 million for the FYE 31 March 2024 (FYE 31 March 2023: RM28.4 million). This was mainly contributed by the increase in GP by 6.6% for the FYE 31 March 2024 driven by higher sales of our silicon IP, as well as an increase in other income arising from higher amortisation of government grants for the FYE 31 March 2024. The increase in PBT was partially moderated by an increase of 45.6% in administrative expenses mainly due to higher directors' remuneration and staff costs. Our PBT margin declined from 49.7% for the FYE 31 March 2023 to 44.9% for the FYE 31 March 2024, mainly due to the decrease in GP margin which declined from 59.1% for the FYE 31 March 2023 to 46.8% for the FYE 31 March 2024.

Similarly, our PAT increased by RM5.1 million or 17.7% to RM33.7 million for the FYE 31 March 2024 (FYE 31 March 2023: RM28.6 million) which was in line with the increase in our PBT, while our PAT margin declined from 50.1% for the FYE 31 March 2023 to 43.7% for the FYE 31 March 2024.

For the FYE 31 March 2024, our effective tax rate was 2.5% which was lower than the statutory tax rate of 24% arising from approved tax exemption under promoted activities for our IC design. For further details, see Sections 5.1.7 and 12.2.2(h) of this Prospectus.

**12. FINANCIAL INFORMATION (Cont'd)****(b) FYE 31 March 2025 compared to FYE 31 March 2024**

Our PBT increased by RM2.4 million or 7.0% to RM37.0 million for the FYE 31 March 2025 (FYE 31 March 2024: RM34.6 million). This was mainly contributed by the increase in GP by 40.0% for the FYE 31 March 2025 driven by GP contribution from our custom ASIC segment. The increase in PBT was partially moderated by an increase of 67.7% in administrative expenses mainly due to higher professional fees, depreciation and amortisation, foreign exchange losses, directors' remuneration, and staff costs. In addition, the increase in PBT was also partially moderated by a decrease in other income by 77.0% mainly due to lower amortisation of government grants during the FYE 31 March 2025. Our PBT margin declined from 44.9% for the FYE 31 March 2024 to 31.0% for the FYE 31 March 2025. The decline was mainly due to the decrease in GP margin which declined from 46.8% for the FYE 31 March 2024 to 42.2% for the FYE 31 March 2025. In addition, the decline in PBT margin was also attributed to the decline in other income and the increase in administrative expenses.

Similarly, our PAT increased by RM2.2 million or 6.6% to RM35.9 million for the FYE 31 March 2025 (FYE 31 March 2024: RM33.7 million) which was in line with the increase in our PBT, while PAT margin declined from 43.7% for the FYE 31 March 2024 to 30.1% for the FYE 31 March 2025.

For the FYE 31 March 2025, our effective tax rate was 2.9% which was lower than the statutory tax rate of 24% arising from approved tax exemption under promoted activities for our IC design. For further details, see Sections 5.1.7 and 12.2.2(h) of this Prospectus.

**12.2.12 Liquidity and capital resources****(i) Working capital**

Our business has been financed by a combination of internal and external sources of funds. Internal sources comprised shareholders' equity and cash generated from our operations, while the external source was mainly government grants received. The funds were utilised for our business operations and growth.

Based on our audited consolidated statement of financial position as at 31 March 2025, we have:

- (i) cash and bank balances of RM42.5 million; and
- (ii) working capital of RM81.5 million, being the difference between current assets of RM85.5 million and current liabilities of RM4.0 million.

As at 31 March 2025, we have no borrowings, and our current ratio was 21.3 times.

After taking into consideration the funding requirements for our upcoming capital expenditures and our future plans as set out in Section 7.5 of this Prospectus, our existing level of cash and bank balances and expected cash flows to be generated from our operations and the estimated net proceeds from the Public Issue, our Board is of the view that we have sufficient working capital for 12 months from the date of this Prospectus.

**12. FINANCIAL INFORMATION (Cont'd)****(ii) Cash flow**

The following is our cash flow for the Financial Years Under Review based on our audited consolidated financial statements which should be read in conjunction with the Accountants' Report included in Section 13 of this Prospectus

	<b>FYE 31 March</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net cash from operating activities	42,571	4,774	23,734
Net cash (used in)/from investing activities	(33,142)	2,895	(20,608)
Net cash (used in)/from financing activities	(1,540)	(13,622)	15,548
Net increase/(decrease) in cash and cash equivalents	7,889	(5,953)	18,674
Effects of foreign exchange rate changes	(1,574)	1,366	(1,093)
Cash and cash equivalents at the beginning of the financial year	23,142	29,457	24,870
<b>Cash and cash equivalent at end of the financial year</b>	<b>29,457</b>	<b>24,870</b>	<b>42,451</b>

All of our cash and cash equivalents are held in USD, RM, RMB, SGD, and VND. We are subject to the availability of distributable profits and reserves, there are no legal, financial or economic restrictions on our subsidiaries' ability to transfer funds to our Company in the form of cash dividends, loans or advances.

**(a) Net cash from operating activities****FYE 31 March 2023**

For the FYE 31 March 2023, our net cash from operating activities was RM42.6 million. This was based on the PBT of RM28.4 million, after adjusting for non-cash and non-operating items of RM2.6 million, as well as working capital changes mainly taking into account an increase in contract liabilities by RM11.5 million arising from milestone payment received from a customer.

**FYE 31 March 2024**

For the FYE 31 March 2024, our net cash from operating activities was RM4.8 million. This was based on the PBT of RM34.6 million, after adjusting for non-cash and non-operating items of RM4.7 million, as well as working capital changes after taking into account the following:

- increase in receivables by RM17.5 million, mainly attributed to the outstanding balance of trade receivables arising mainly from the billings issued for our memory interface IP and custom silicon IP.
- decrease in contract liabilities by RM11.5 million as revenue has been recognised upon the works performed for the development of silicon IP.
- increase in payables by RM4.2 million, mainly pertaining to higher accruals of staff costs.

**12. FINANCIAL INFORMATION (Cont'd)****FYE 31 March 2025**

For the FYE 31 March 2025, our net cash from operating activities was RM23.7 million. This was based on the PBT of RM37.0 million, after adjusting for non-cash and non-operating items of RM7.3 million, as well as working capital changes after taking into account the following:

- increase in receivables by RM17.4 million, mainly attributed to the outstanding balance of trade receivables arising mainly from the billings issued for our custom ASIC, custom silicon IP and Network-on-Chip IP.

The increase was also partly attributed to the higher other receivables in relation to the prepayment and deposits paid mainly for the purchase of prototypes and computer and software.

- decrease in payables by RM2.3 million, mainly pertaining to lower accruals of staff costs.
- increase in contract assets by RM0.5 million mainly attributable to the work completed prior to invoicing.

**(b) Net cash (used in)/from investing activities****FYE 31 March 2023**

For the FYE 31 March 2023, our net cash used in investing activities was RM33.1 million. This was mainly attributed to the following:

- RM31.5 million used for other investments which were mainly short-term bonds and money market instruments;
- RM1.7 million mainly used to fund the purchase of computer and software, and furniture, fittings and office equipment, as well as renovation of office space and server room at the additional rented office premises; and
- RM0.4 million used to file patents for inventions.

This was partially offset by RM0.5 million of interest received from investments in current accounts and bond instruments.

**FYE 31 March 2024**

For the FYE 31 March 2024, our net cash from investing activities was RM2.9 million after taking into account the following:

- proceeds of RM24.0 million from the disposal of other investments;
- proceeds of RM4.0 million from a government grants received; and
- interest of RM1.1 million from current account, fixed deposits and bond instruments.

This was partially offset by the following:

- RM14.3 million used for other investments mainly short-term bonds and money market instruments;

**12. FINANCIAL INFORMATION (Cont'd)**

- RM11.4 million mainly used to fund the investments in development of mask set for our custom ASIC, prototypes as well as purchase of computer and software; and
- RM0.5 million used to file patents for inventions.

**FYE 31 March 2025**

For the FYE 31 March 2025, our net cash used in investing activities was RM20.6 million. This was mainly attributed to the following:

- RM31.2 million mainly used to fund the investments in development of mask set for our custom ASIC, prototypes as well as purchase of computers and software; and
- RM5.6 million mainly used for the acquisition of analysing and optimisation firmware IP.

This was partially offset by the proceeds of RM15.5 million from the disposal of other investments, and interest of RM0.7 million received from the short-term investments in bond instruments.

**(c) Net cash (used in)/from financing activities****FYE 31 March 2023**

For the FYE 31 March 2023, our net cash used in financing activities was RM1.5 million mainly attributed to the following:

- RM2.0 million of dividends paid; and
- RM0.5 million used for the repayment of lease liabilities arising from rental payments for offices.

This was partially offset by RM1.0 million of proceeds from the issuance of ordinary shares by our Company for working capital.

**FYE 31 March 2024**

For the FYE 31 March 2024, our net cash used in financing activities was RM13.6 million mainly attributed to the following:

- RM13.6 million of dividends paid; and
- RM1.0 million used for the repayment of lease liabilities arising from rental payments for offices.

This was partially offset by RM1.0 million of proceeds from the issuance of ordinary shares by our Company for working capital.

**FYE 31 March 2025**

For the FYE 31 March 2025, our net cash from financing activities was RM15.5 million attributed to RM29.3 million of proceeds from the issuance of the ICPS. This was partially offset by RM12.4 million of dividends paid and RM1.3 million used for the repayment of lease liabilities arising from rental payments for offices.

**12. FINANCIAL INFORMATION (Cont'd)****(iii) Borrowings**

We have no borrowings for the past 3 financial years.

**12.2.13 Financial instrument, treasury policies and objectives**

As at the LPD, we have foreign exchange hedging facilities that have yet to be utilised. Our Group's operations have been funded through shareholders' equity and cash generated from our operations, while the external source of funds was mainly government grants received.

The main objective of our capital management strategy is to maintain sustainable shareholders' equity to ensure our ability to support and grow our business in order to maximise shareholders' value. We will review and manage our capital structure to maintain our capital at an optimal level based on our business requirements and prevailing economic conditions.

**12.2.14 Material litigation and contingent liabilities****(i) Material litigation**

Neither we nor our subsidiaries are engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability, in the 12 months immediately preceding the date of this Prospectus.

**(ii) Contingent liabilities**

As at the LPD, we do not have any other contingent liabilities which, upon becoming enforceable, may have a material adverse impact on our results of operations or financial position.

**12.2.15 Key financial ratios**

Our key financial ratios for the Financial Years Under Review are as follows:

	<b>FYE 31 March</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
Trade receivable turnover period (days) <sup>(1)</sup>	-	67	81
Current ratio (times) <sup>(2)</sup>	3.1	3.5	21.3

**Notes:**

(1) Computed based on trade receivables as at the financial year end over total revenue of the financial year, and multiplied by the number of days in the financial year.

(2) Computed based on current assets over current liabilities.

**(i) Trade receivables**

We deal with our customers on credit terms. The credit terms that we generally grant to our customers are as follows:

	<b>FYE 31 March</b>	
	<b>2024</b>	<b>2025</b>
Normal credit terms (days)	7 - 45	7 - 30

There were no outstanding trade receivable balances as at 31 March 2023.

**12. FINANCIAL INFORMATION (Cont'd)**

Our trade receivables turnover period was 67 days for the FYE 31 March 2024, mainly attributed to the outstanding balance of trade receivables arising mainly from the billings issued for our memory interface IP and custom silicon IP.

Our trade receivables turnover period increased from 67 days for the FYE 31 March 2024 to 81 days for the FYE 31 March 2025, mainly attributed to the outstanding balance of trade receivables arising mainly from the billings issued for our custom ASIC, custom silicon IP and Network-on-Chip IP.

Our trade receivables turnover periods for the FYEs 31 March 2024 and 31 March 2025 exceeded our normal terms. We have performed recoverability assessments on our trade receivables, which included a review of the ageing profile, customers' creditworthiness, and ongoing discussions with customers on repayment timelines. We have also made constant effort to recover overdue outstanding amounts through follow-up communications.

The ageing analysis of our Group's trade receivables as at 31 March 2025 is as follows:

	Trade receivables as at 31 March 2025	Subsequent collections as at the LPD	Net trade receivables after subsequent collections as at the LPD
	RM'000	RM'000	RM'000
Not past due	5,675	2,571	3,104
1 - 60 days past due	20,789	2,224	18,565
61 - 120 days past due	-	-	-
More than 120 days past due	146	146	-
<b>Total</b>	<b>26,610</b>	<b>4,941</b>	<b>21,669</b>

As at the LPD, RM4.9 million or 19.0% of the trade receivables as at 31 March 2025 has been subsequently collected. The remaining RM21.7 million was still outstanding, mainly attributed to the past due trade receivables from a small group of customers for our custom ASIC and silicon IP.

**(ii) Trade payables**

For the Financial Years Under Review, there were no outstanding trade payables.

**(iii) Current ratio**

Our current ratio increased from 3.1 times for the FYE 31 March 2023 to 3.5 times for the FYE 31 March 2024. This was mainly attributed to the increase in trade and other receivables of RM17.5 million mainly due to higher outstanding balance of trade receivables arising mainly from billings issued for our memory interface IP and custom silicon IP. In addition, the decrease in current liabilities was due to a decrease in contract liabilities by RM11.5 million as the revenue has been recognised upon the works performed for the development of silicon IP.

Our current ratio increased from 3.5 times for the FYE 31 March 2024 to 21.3 times for the FYE 31 March 2025. This was mainly attributed to the increase in cash and bank balances of RM17.6 million following the issuance of the ICPS, coupled with the increase in trade and other receivables of RM17.4 million due to the outstanding balance of trade receivables arising from the billings issued for our custom ASIC, custom silicon IP and Network-on-Chip IP, as well as increase in other receivables in relation to the prepayment and deposits paid. In addition, the decrease in current liabilities was mainly due to a decrease in other payables by RM14.6 million, arising mainly from the decrease in dividend payable by RM12.4 million.

## 12. FINANCIAL INFORMATION (Cont'd)

### 12.2.16 Trend analysis

Save as disclosed in this section and in Sections 5, 7 and 8 of this Prospectus, to the best of our Board's knowledge and belief, there are no other known trends, uncertainties, demands, commitments or events and factors that are reasonably likely to have a material effect on our business, financial condition and results of operations or that would make our Group's historical financial statements not indicative of future financial performance. Accordingly, taking into consideration of our Group's business strategies and future plans and the expected increase in depreciation in line with the increase in our capital expenditure, we do not expect any material adverse impact to our revenue and operating expenses moving forward.

### 12.2.17 Significant changes/events

Save as disclosed in this Prospectus, no significant changes have occurred which may have a material effect on our financial position and result of operations since 31 March 2025 up to the date of this Prospectus.

### 12.2.18 Order book

As at the LPD, we have 12 on-going contracts with a total unbilled order book of RM37.4 million, the details of which are as follows:

	Unbilled order book as at the LPD	Expected timeline to be recognised		
		FYE 31 March		
		2026	2027	2028
	RM million	RM million	RM million	RM million
Silicon IP segment	20.6	9.3	7.5	3.8
Custom ASIC segment <sup>(1)</sup>	16.8	16.8	-	-
<b>Total</b>	<b>37.4</b>	<b>26.1</b>	<b>7.5</b>	<b>3.8</b>

**Note:**

(1) Excludes custom ASIC product sales, which will be based on purchase orders.

### 12.2.19 Capital expenditures and divestures

#### Capital expenditures

Our capital expenditures for the Financial Years Under Review and up to the LPD are as follows:

	FYE 31 March			From 1 April up to the LPD
	2023	2024	2025	
	RM'000	RM'000	RM'000	RM'000
Plant and equipment	1,744	11,398	31,177	7,122
- Engineering tools	-	8,390	21,374	2,659
- Prototype equipment	232	1,469	6,211	1,672
- Computer and software	957	1,134	3,272	2,286
- Renovation	252	156	234	470
- Furniture, fittings and office equipment	303	249	86	35

**12. FINANCIAL INFORMATION (Cont'd)**

	FYE 31 March			From 1 April
	2023	2024	2025	up to the LPD
	RM'000	RM'000	RM'000	RM'000
Intangible assets <sup>(1)</sup>	376	531	5,592	241
	<b>2,120</b>	<b>11,929</b>	<b>36,769</b>	<b>7,363</b>

**Note:**

(1) *Includes patents and intellectual properties*

Our capital expenditure was primarily funded via a combination of internally generated funds and government grants.

For the FYE 31 March 2023, our capital expenditure of RM2.1 million mainly comprised the following:

- RM1.0 million for the purchase of computers and software;
- RM0.3 million for the purchase of furniture, fittings and office equipment;
- RM0.3 million for the renovation of office space and server room at our rented office premises;
- RM0.3 million for the intangible assets in relation to the patents; and
- RM0.2 million for the prototypes.

For the FYE 31 March 2024, our capital expenditure of RM11.9 million mainly comprised the following:

- RM8.4 million for engineering tools relating to mask set for our custom ASIC;
- RM1.5 million for the prototypes;
- RM1.1 million for the purchase of computers and software;
- RM0.5 million for the intangible assets in relation to the patents;
- RM0.2 million for the purchase of furniture, fittings and office equipment; and
- RM0.2 million for the renovation of office space and server room at our rented office premises.

For the FYE 31 March 2025, our capital expenditure of RM36.8 million mainly comprised the following:

- RM21.4 million for engineering tools for mask set for our custom ASICs;
- RM6.2 million for the prototypes;
- RM5.6 million for the intangible assets in relation to patents and intellectual properties;
- RM3.3 million for the purchase of computers and software;
- RM0.2 million for the renovation of the additional server room at our rented office premises; and
- RM0.1 million for the purchase of furniture, fittings and office equipment.

Between 1 April 2025 and up to the LPD, our capital expenditure of RM7.4 million mainly comprised the following:

- RM2.7 million for engineering tools for mask set for our custom ASIC;
- RM2.3 million for the purchase of computers and software; and
- RM1.7 million for the prototypes.

**12. FINANCIAL INFORMATION (Cont'd)****Capital divestitures**

Our capital divestitures for the Financial Years Under Review and up to the LPD are as follows:

	FYE 31 March			From 1 April up to the LPD
	2023	2024	2025	
	RM'000	RM'000	RM'000	RM'000
Furniture, fittings and office equipment	13	-	-	-
	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>

**12.2.20 Material commitment for capital expenditures**

As at the LPD, our Group has no material commitments for capital expenditure.

**12.2.21 Financial risk management**

Our key market risk exposures are interest rate risk and foreign currency risk.

**Foreign currency risk**

We are exposed to foreign currency fluctuations, primarily USD and RMB arising from our export sales of silicon IP and custom ASIC. In addition, our procurement of software tools and design services for our operations are transacted in RM, USD and VND. As such, any unfavourable movement in exchange rates between RM and USD/RMB/VND would negatively affect our financial performance.

Details of our foreign currency exchange gains and losses during the Financial Years Under Review are as follows:

	FYE 31 March		
	2023	2024	2025
	RM'000	RM'000	RM'000
Net realised gain on foreign exchange	-	78	78
Net unrealised (loss)/gain on foreign exchange	(1,573)	1,365	(1,171)
<b>Net (loss)/gain</b>	<b>(1,573)</b>	<b>1,443</b>	<b>(1,093)</b>

Our revenue which is transacted in RM and foreign currencies mainly comprising USD and RMB is as follows:

	FYE 31 March					
	2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%
Foreign currencies	53,175	93.0	77,063	100.0	109,799	91.9
<i>USD</i>	51,612	90.3	72,353	93.9	105,132	88.0
<i>RMB</i>	1,563	2.7	4,710	6.1	4,667	3.9
Domestic (RM)	3,984	7.0	-	-	9,704	8.1
<b>Total revenue</b>	<b>57,159</b>	<b>100.0</b>	<b>77,063</b>	<b>100.0</b>	<b>119,503</b>	<b>100.0</b>

## 12. FINANCIAL INFORMATION (Cont'd)

Our operational costs mainly for the procurement of software tools, semiconductor materials and manufacturing services, and product sales support to promote silicon IP licensing, as well as our outsourcing of IC and printed circuit board design and assembly services which are transacted in RM, USD and VND are as follows:

	FYE 31 March					
	2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%
USD	1,878	83.2	3,252	88.6	8,690	84.0
VND	-	-	-	-	1,352	13.0
RM	379	16.8	417	11.4	307	3.0
<b>Total operational costs</b>	<b>2,257</b>	<b>100.0</b>	<b>3,669</b>	<b>100.0</b>	<b>10,349</b>	<b>100.0</b>

We maintain bank accounts in foreign currencies including USD, RMB, VND, and SGD for working capital purposes. In addition, our revenue and operational costs for the procurement of software tools, semiconductor materials and manufacturing services, and product sales support to promote silicon IP licensing, as well as our outsourcing of IC and printed circuit board design and assembly services are primarily denominated in USD, as payments to suppliers are made using the revenue received from customers. To a certain extent, these provide a natural hedge against fluctuations in foreign exchange and reduces our exposure to foreign exchange risk. As at the LPD, we have foreign exchange hedging facilities that have yet to be utilised. The foreign exchange hedging facilities are intended to manage the risk of losses caused by fluctuations in foreign currency exchange rates.

### 12.3 DIVIDEND POLICY

No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

The actual dividend that our Board may recommend or declare in any particular financial year will be subject to the factors outlined below as well as any other factors deemed relevant by our Board. In considering the level of dividend payments, if any, upon recommendation by our Board, we intend to consider various factors including:

- (i) our level of cash, gearing and return on equity and retained earnings;
- (ii) our expected financial performance;
- (iii) our projected levels of capital expenditure and other investment plans;
- (iv) our working capital requirements; and
- (v) any contractual restrictions and/or commitments.

We target a payout ratio of up to 25% of our PAT attributable to owners of our Company of each financial year on a consolidated basis after taking into account our Group's working capital and committed capital requirements, subject to any applicable law, licence conditions and contractual obligations, and provided that such distribution will not be detrimental to our cash requirements or any plans approved by our Board.

As at the LPD, there are no dividend restrictions imposed on us or our subsidiaries.

**12. FINANCIAL INFORMATION (Cont'd)**

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our future dividends which are subject to modifications (including non-declaration thereof) at our Board's discretion. We cannot assure you that we will be able to pay dividends or that our Board will declare dividends in the future. There can also be no assurance that future dividends declared by our Board, if any, will not differ materially from historical dividend levels. See Section 5 of this Prospectus for factors which may affect or restrict our ability to pay dividends.

The following table sets out the dividends declared and/or paid by our Group for the Financial Years Under Review and the corresponding dividend payout ratio:

	FYE 31 March		
	2023	2024	2025
	RM'000	RM'000	RM'000
Dividends declared	9,000 <sup>(3)</sup>	19,000 <sup>(4)</sup>	-
Dividends paid <sup>(1)</sup>	2,000	13,637	12,363
PAT	28,641	33,708	35,943
Dividend payout ratio <sup>(2)</sup>	7.0%	40.5%	34.4%

**Notes:**

- (1) The dividend was funded by internally generated funds sourced from the cash and bank balances of our Group.
- (2) Computed based on dividends paid divided by PAT.
- (3) Out of the dividends declared of RM9.0 million for the FYE 31 March 2023, RM2.0 million was paid in the same year and the remaining RM7.0 million was paid during the FYE 31 March 2024.
- (4) Out of the dividends declared of RM19.0 million for the FYE 31 March 2024, RM6.6 million was paid in the same year and the remaining RM12.4 million was paid during the FYE 31 March 2025.

Subsequent to the Financial Years Under Review and up to the LPD, no dividend has been declared, made or paid by our Company, and our Company has no intention to declare any further dividends prior to our Listing.

**12.4 CAPITALISATION AND INDEBTEDNESS**

The table below sets out our capitalisation and indebtedness as at 31 August 2025 and on the assumption that our IPO, our Listing and the use of proceeds from our Public Issue as set out in Section 4.5 of this Prospectus had occurred on 31 August 2025. The pro forma financial information below does not represent our actual capitalisation and indebtedness as at 31 August 2025 and is provided for illustrative purposes only.

	Unaudited As at 31 August 2025	Adjustments	Pro Forma After our IPO, Listing and Use of Proceeds
	RM'000	RM'000	RM'000
Indebtedness:			
<b>Current</b>			
<u>Unsecured and unguaranteed</u>			
Lease liabilities	1,230	-	1,230
<b>Non-current</b>			
<u>Unsecured and unguaranteed</u>			
Lease liabilities	1,472	-	1,472
<b>Total indebtedness</b>	<b>2,702</b>	<b>-</b>	<b>2,702</b>

## 12. FINANCIAL INFORMATION (Cont'd)

	Unaudited As at 31 August 2025	Adjustments	Pro Forma After our IPO, Listing and Use of Proceeds
	RM'000	RM'000	RM'000
Equity attributable to owners of our Company	152,227	[●]	<sup>(1)</sup> [●]
<b>Total equity / capitalisation</b>	<b>152,227</b>	<b>[●]</b>	<b>[●]</b>
<b>Total capitalisation and indebtedness</b>	<b>154,929</b>	<b>[●]</b>	<b>[●]</b>
Gearing ratio (times) <sup>(2)</sup>	0.02		[●]

**Notes:**

- (1) Computed after taking into account the gross proceeds of approximately RM[●] million from our Public Issue based on the Retail Price and the estimated listing expenses of approximately RM[●] million.
- (2) Computed based on lease liabilities over total equity.

**12. FINANCIAL INFORMATION (Cont'd)**

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**12.5 REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**SKYECHIP BERHAD**  
**Registration No. 201901014484 (1323812-D)**  
(Incorporated in Malaysia)

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2025**

**GRANT THORNTON MALAYSIA PLT**  
**CHARTERED ACCOUNTANTS**  
**Member Firm of Grant Thornton International Ltd.**

**12. FINANCIAL INFORMATION (Cont'd)**

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**SKYECHIP BERHAD**  
**Registration No. 201901014484 (1323812-D)**  
(Incorporated in Malaysia)

**APPROVAL BY BOARD OF DIRECTORS**

The pro forma consolidated statements of financial position has been approved for issue in accordance with a resolution of the Board of Directors of SkyeChip Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors:

.....  
**Dato' Fong Swee Kiang**

**Date: 21 October 2025**

.....  
**Teh Chee Hak**

**12. FINANCIAL INFORMATION (Cont'd)**
**REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION  
OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

Date: 21 October 2025

The Board of Directors  
**SkyeChip Berhad**  
 1-18-12 Suntech @ Penang Cybercity  
 Lintang Mayang Pasir 3  
 11950 Bayan Baru  
 Pulau Pinang

Dear Sirs/Madams,

---

**Grant Thornton Malaysia PLT**

Level 5, Menara BHL  
 51 Jalan Sultan Ahmad Shah  
 10050 Penang  
 Malaysia

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**SKYECHIP BERHAD ("SKYECHIP" OR "THE COMPANY") AND ITS SUBSIDIARIES ("SKYECHIP GROUP" OR "THE GROUP")**
**REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION INCLUDED IN A PROSPECTUS**

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position of the Company as at 31 March 2025 together with the accompanying notes thereon, for which we have stamped for the purpose of identification. The pro forma consolidated statements of financial position has been compiled by the Board of Directors of the Company for inclusion in the Prospectus in connection with the listing of and quotation for its entire enlarged issued share capital on the Main Market of Bursa Malaysia Securities Berhad ("Proposed Listing").

The applicable criteria on the basis of which the Board of Directors has compiled the pro forma consolidated statements of financial position are specified in the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and described in Note 1 to the pro forma consolidated statements of financial position ("Applicable Criteria").

The pro forma consolidated statements of financial position has been compiled by the Board of Directors to illustrate the impact of the events or transactions as set out in the notes thereon to the pro forma consolidated statements of financial position of the Company as at 31 March 2025 had the events occurred or the transactions been undertaken on 31 March 2025. As part of this process, information about the Group's financial position has been extracted by the Board of Directors from the audited consolidated financial statements of the Company for the financial year ended 31 March 2025, on which a reporting accountants' report dated 21 October 2025 has been issued without any modification.

**Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position**

The Board of Directors is responsible for compiling the pro forma consolidated statements of financial position on the basis of the Applicable Criteria.

**12. FINANCIAL INFORMATION (Cont'd)****Reporting Accountant's Independence and Quality Management**

We have complied with the independence and other ethical requirement of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) ("IESBA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies *International Standard on Quality Management ("ISQM") 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, the firm is required to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion as required by the Prospectus Guidelines, about whether the pro forma consolidated statements of financial position has been compiled, in all material respects, by the Board of Directors of the Company on the basis of the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma consolidated statements of financial position on the basis of the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

The purpose of the pro forma consolidated statements of financial position included in the Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of SkyeChip Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at that date would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Board of Directors in the compilation of the pro forma consolidated statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated statements of financial position reflects the proper application of those adjustments to the unadjusted financial information.

**12. FINANCIAL INFORMATION (Cont'd)**

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**Reporting Accountants' Responsibilities (cont'd)**

The procedures selected depend on our judgement, having regard to our understanding of the nature of SkyeChip Group, the events or transactions in respect of which the pro forma consolidated statements of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, the pro forma consolidated statements of financial position of SkyeChip Group has been compiled, in all material respects, on the basis of the Applicable Criteria.

**Other matter**

This report has been prepared solely for inclusion in the Prospectus in connection with the Proposed Listing. As such, this report should not be used or relied upon for any other purpose without the prior written consent from us. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

**Grant Thornton Malaysia PLT**  
**AF: 0737**  
**201906003682 (LLP0022494-LCA)**  
**Chartered Accountants**

**Loo Wei Teng**  
**No. 03487/03/2026 J**  
**Chartered Accountant**

**Penang**

## 12. FINANCIAL INFORMATION (Cont'd)

### SKYECHIP BERHAD AND ITS SUBSIDIARIES ("SKYECHIP GROUP") PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2025

The pro forma consolidated statements of financial position of SkyeChip Group as at 31 March 2025 as set out below have been prepared for illustrative purposes only to show the effects of the transactions as set out in Note 2 to the pro forma consolidated statements of financial position, had the events occurred or the transactions been undertaken on 31 March 2025, and should be read in conjunction with the accompanying notes to the pro forma consolidated statements of financial position.

	As at 31 March 2025	Subsequent Events	Pro Forma I After Subsequent Events	Proposed Subdivision of Shares	Pro Forma II After Pro Forma I and Proposed Subdivision of Shares	Proposed Public Issue ("IPO")	Pro Forma III After Pro Forma II and Proposed Public Issue ("IPO")	Proposed Use of Proceeds from IPO	Pro Forma IV After Pro Forma III and Proposed Use of Proceeds from IPO
	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>ASSETS</b>									
<b>Non-current assets</b>									
Plant and equipment	38,958,627	-	38,958,627	-	38,958,627	-	38,958,627	-	38,958,627
Intangible assets	6,406,637	-	6,406,637	-	6,406,637	-	6,406,637	-	6,406,637
Right-of-use assets	3,032,413	-	3,032,413	-	3,032,413	-	3,032,413	-	3,032,413
<b>Total non-current assets</b>	<b>48,397,677</b>		<b>48,397,677</b>		<b>48,397,677</b>		<b>48,397,677</b>		<b>48,397,677</b>
<b>Current assets</b>									
Trade and other receivables	35,231,932	-	35,231,932	-	35,231,932	-	35,231,932	[•]	[•]
Contract assets	525,076	-	525,076	-	525,076	-	525,076	-	525,076
Other investments	7,339,448	-	7,339,448	-	7,339,448	-	7,339,448	-	7,339,448
Cash and bank balances	42,450,627	21,249,988	63,700,615	-	63,700,615	[•]	[•]	[•]	[•]
<b>Total current assets</b>	<b>85,547,083</b>		<b>106,797,071</b>		<b>106,797,071</b>		<b>[•]</b>		<b>[•]</b>
<b>Total assets</b>	<b>133,944,760</b>		<b>155,194,748</b>		<b>155,194,748</b>		<b>[•]</b>		<b>[•]</b>
<b>EQUITY AND LIABILITIES</b>									
<b>Equity</b>									
Share capital	3,000,001	50,499,988	53,499,989	-	53,499,989	[•]	[•]	[•]	[•]
Irredeemable convertible preference shares	29,250,000	(29,250,000)	-	-	-	-	-	-	-
Foreign currency translation reserve	9,966	-	9,966	-	9,966	-	9,966	-	9,966
Retained profits	94,069,789	-	94,069,789	-	94,069,789	-	94,069,789	[•]	[•]
<b>Total equity</b>	<b>126,329,756</b>		<b>147,579,744</b>		<b>147,579,744</b>		<b>[•]</b>		<b>[•]</b>



**12. FINANCIAL INFORMATION (Cont'd)****SKYECHIP BERHAD AND ITS SUBSIDIARIES ("SKYECHIP GROUP")  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2025**

The pro forma consolidated statements of financial position of SkyeChip Group as at 31 March 2025 as set out below have been prepared for illustrative purposes only to show the effects of the transactions as set out in Note 2 to the pro forma consolidated statements of financial position, had the events occurred or the transactions been undertaken on 31 March 2025, and should be read in conjunction with the accompanying notes to the pro forma consolidated statements of financial position. (cont'd)

	As at 31 March 2025	Subsequent Events	Pro Forma I After Subsequent Events	Proposed Subdivision of Shares	Pro Forma II After Pro Forma I and Proposed Subdivision of Shares	Proposed Public Issue ("IPO")	Pro Forma III After Pro Forma II and Proposed Public Issue ("IPO")	Proposed Use of Proceeds from IPO	Pro Forma IV After Pro Forma III and Proposed Use of Proceeds from IPO
	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>LIABILITIES</b>									
<b>Non-current liabilities</b>									
Lease liabilities	1,992,598	-	1,992,598	-	1,992,598	-	1,992,598	-	1,992,598
Deferred income	432,803	-	432,803	-	432,803	-	432,803	-	432,803
Deferred tax liabilities	1,176,000	-	1,176,000	-	1,176,000	-	1,176,000	-	1,176,000
<b>Total non-current liabilities</b>	<b>3,601,401</b>		<b>3,601,401</b>		<b>3,601,401</b>		<b>3,601,401</b>		<b>3,601,401</b>
<b>Current liabilities</b>									
Other payables	2,702,559	-	2,702,559	-	2,702,559	-	2,702,559	-	2,702,559
Lease liabilities	1,203,708	-	1,203,708	-	1,203,708	-	1,203,708	-	1,203,708
Deferred income	28,749	-	28,749	-	28,749	-	28,749	-	28,749
Current tax liabilities	78,587	-	78,587	-	78,587	-	78,587	-	78,587
<b>Total current liabilities</b>	<b>4,013,603</b>		<b>4,013,603</b>		<b>4,013,603</b>		<b>4,013,603</b>		<b>4,013,603</b>
<b>Total liabilities</b>	<b>7,615,004</b>		<b>7,615,004</b>		<b>7,615,004</b>		<b>7,615,004</b>		<b>7,615,004</b>
<b>Total equity and liabilities</b>	<b>133,944,760</b>		<b>155,194,748</b>		<b>155,194,748</b>		<b>[•]</b>		<b>[•]</b>
Number of shares in issue (Unit)									
- Ordinary shares	300,000,001	19,679,050	319,679,051	1,076,320,949	1,396,000,000	400,000,000	1,796,000,000	-	1,796,000,000
- Irredeemable convertible preference shares	12,500,000	(12,500,000)	-	-	-	-	-	-	-
	<b>312,500,001</b>		<b>319,679,051</b>		<b>1,396,000,000</b>		<b>1,796,000,000</b>		<b>1,796,000,000</b>
Net assets per share	0.40		0.46		0.11		[•]		[•]



**12. FINANCIAL INFORMATION (Cont'd)****SKYECHIP BERHAD AND ITS SUBSIDIARIES  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2025****1. BASIS OF PREPARATION**

The applicable criteria in the preparation of the pro forma consolidated statements of financial position is in accordance with Chapter 9, Division I – Part II of the Prospectus Guidelines issued by the Securities Commission Malaysia and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The pro forma consolidated statements of financial position of SkyeChip Berhad (“SkyeChip” or “the Company”) as at 31 March 2025 together with the notes thereon, for which the Board of Directors of the Company is solely responsible, have been prepared for illustration purposes only for the purpose of inclusion in the Prospectus in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad (“Proposed Listing”).

The pro forma consolidated statements of financial position has been prepared based on the audited consolidated financial statements of the Company for the financial year ended 31 March 2025 as contained in the Accountants’ Report dated 21 October 2025, which were prepared in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and in a manner consistent with the format of financial statements and the accounting policies of SkyeChip Group, and adjusted for the impacts of the events and transactions as set out in Note 2 to the pro forma consolidated statements of financial position had the events occurred or the transactions been undertaken on 31 March 2025. The pro forma consolidated statements of financial position is not necessarily indicative of the financial position that would have been attained had the Proposed Listing actually occurred at the respective dates and such information does not purport to predict the future financial position of SkyeChip Group.

The auditors’ report on the Accountants’ Report dated 21 October 2025 used in the preparation of the pro forma consolidated statements of financial position was not subject to any audit qualification.

**2. LISTING SCHEME****(i) Pro Forma I: Subsequent Events****Issuance of ordinary shares in SkyeChip**

On 28 August 2025, the Company has issued 1,435,350 new ordinary shares at an issue price of RM2.96 per ordinary share for a total cash consideration of RM4,248,636. On 29 August 2025, the Company has subsequently issued another 2,649,800 new ordinary shares at the same issue price of RM2.96 per ordinary share for a total cash consideration of RM7,843,408.

**Issuance of Irredeemable Convertible Preference Shares (“ICPS”) in SkyeChip**

On 4 September 2025, the Company has issued 3,093,900 new ICPS at an issue price of RM2.96 per ICPS for a total cash consideration of RM9,157,944.

**Conversion of ICPS in SkyeChip**

On [●], the ICPS has been converted into ordinary shares of the Company on the basis of 1 ordinary share for every 1 ICPS held.



**12. FINANCIAL INFORMATION (Cont'd)****SKYECHIP BERHAD AND ITS SUBSIDIARIES  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2025****2. LISTING SCHEME (CONT'D)****(ii) Pro Forma II: Proposed Subdivision of Shares**

In conjunction with the Proposed Listing, SkyeChip will undertake the subdivision of shares which entails the subdivision of 319,679,051 ordinary shares into 1,396,000,000 ordinary shares prior to the submission of confirmation for registration of the Prospectus.

**(iii) Pro Forma III: Proposed Public Issue ("IPO")****Public Issue**

The IPO involves a public issue of 400,000,000 new ordinary shares in SkyeChip at an indicative issue price of [●] per share.

In conjunction with the IPO, the Company will seek the listing of and quotation for its entire enlarged issued share capital comprising [●] ordinary shares in SkyeChip on the Main Market of Bursa Securities.

**(iv) Pro Forma IV: Proposed Use of Proceeds from IPO**

Gross proceeds from the IPO of [●] are expected to be used as follows:

<b>Description of use of proceeds</b>	<b>Estimated timeframe for use from the date of the Proposed Listing</b>	<b>RM</b>	<b>%</b>
Research and development ("R&D") of integrated circuit products <sup>(1)</sup>	Within 36 months	[●]	44.1
R&D of silicon intellectual properties <sup>(1)</sup>	Within 36 months	[●]	16.0
Expansion of operational facilities and resources <sup>(1)</sup>	Within 36 months	[●]	5.4
Expansion of computing infrastructure and labs <sup>(1)</sup>	Within 36 months	[●]	10.8
Subscription, licensing and/or purchase of electronic design automation ("EDA") and development tools <sup>(1)</sup>	Within 36 months	[●]	10.4
Working capital	Within 36 months	[●]	10.5
Defray fees and expenses relating to the Proposed Listing ("Listing Expenses") <sup>(2)</sup>	Within 3 months	[●]	2.8
<b>Total</b>		[●]	<b>100.0</b>

<sup>(1)</sup> As at the latest practicable date, the Company has yet to enter into any contractual binding arrangements or to issue any purchase orders in relation to the above R&D activities, expansion activities, subscription, licensing and/or purchase of EDA and development tools. Accordingly, the use of proceeds earmarked for the above R&D activities, expansion activities, subscription, licensing and/or purchase of EDA and development tools are not reflected in the pro forma consolidated statements of financial position.



**12. FINANCIAL INFORMATION (Cont'd)****SKYECHIP BERHAD AND ITS SUBSIDIARIES  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2025****2. LISTING SCHEME (CONT'D)****(iv) Pro Forma IV: Proposed Use of Proceeds from IPO (cont'd)**

- <sup>(2)</sup> If the actual Listing Expenses are higher than the estimated, the deficit will be funded out from portion allocated for working capital. Conversely, if the actual Listing Expenses are lower than the estimated, the excess will be used for working capital purposes.

The Listing Expenses are estimated at [●], of which [●] has been paid and charged to the profit or loss as at 31 March 2025. The remaining estimated Listing Expenses will be set off against the share capital by [●] and profit or loss [●] respectively.

Out of the total estimated Listing Expenses of [●], an amount of [●] has been paid and recorded in the prepayments account. It will be charged out from prepayments account accordingly.

**(v) Employee Share Option Scheme ("ESOS")**

In conjunction with the Proposed Listing, the Company will establish the ESOS which entails the granting of ESOS options to the eligible directors (excluding independent directors) and employees of the Group.

The ESOS shall be administered by a committee to be appointed by the Board of Directors and governed by the By-Laws. The total number of shares which may be made available under the ESOS shall not in aggregate exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares, if any) at any point in time during the duration of the ESOS.

The ESOS is not illustrated in the pro forma consolidated statements of financial position as the ESOS options under the ESOS have yet to be granted as of the date of this report.

