

## 4. DETAILS OF OUR IPO

### 4.1 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative time and/or date:

Event	Time and/or Date
Opening of the Institutional Offering <sup>(1)</sup>	[●]
Issuance of the Prospectus/Opening of the Retail Offering	10.00 a.m., [●]
Closing of the Retail Offering	5.00 p.m., [●]
Closing of the Institutional Offering	[●]
Price Determination Date	[●]
Balloting of applications for our IPO Shares under the Retail Offering	[●]
Allotment of our IPO Shares to successful applicants	[●]
Listing	[●]

**Note:**

(1) *Other than the Institutional Offering to the Cornerstone Investors. The Master Cornerstone Placement Agreement for the subscription of our IPO Shares by the Cornerstone Investors was entered into on [●].*

In the event there is any change to the timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers in Malaysia and make an announcement on the website of Bursa Securities.

### 4.2 PARTICULARS OF OUR IPO AND PLAN OF DISTRIBUTION

Our IPO is subject to the terms and conditions of this Prospectus. Upon acceptance, our IPO Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus.

Our IPO consists of the Institutional Offering and the Retail Offering, totalling 400,000,000 IPO Shares, representing 22.3% of our enlarged issued Shares.

#### 4.2.1 Subdivision

In conjunction with our Listing, on [●], our Company undertook the subdivision of 319,679,051 Shares into 1,396,000,000 Shares. The purpose of the Subdivision is to enhance the liquidity of the Shares upon our Listing.

#### 4. DETAILS OF OUR IPO (Cont'd)

Following the completion of the Subdivision, our total issued Shares is 1,396,000,000 Shares. The shareholding structure of our Company before and after the Subdivision are as follows:

Name	Before the Subdivision				After the Subdivision			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Dato' Fong Swee Kiang	98,612,801	30.9	15,893,600	<sup>(3)</sup> 4.9	430,630,251	30.9	69,405,442	<sup>(3)</sup> 4.9
Teh Chee Hak	98,612,800	30.9	15,913,600	<sup>(4)</sup> 4.9	430,630,247	30.9	69,492,779	<sup>(4)</sup> 4.9
SKC Team 2	32,542,000	10.2	-	-	142,107,003	10.2	-	-
IC Capital Management	14,700,000	4.6	-	-	64,193,134	4.6	-	-
DG 12	10,479,700	3.3	-	-	45,763,591	3.3	-	-
SKC Team	9,985,000	3.1	-	-	43,603,295	3.1	-	-
SKC Team 1	9,965,000	3.1	-	-	43,515,958	3.1	-	-
Gobi Future Fund LPF	6,335,423	2.0	-	-	27,666,031	2.0	-	-
Meranti ASEAN Growth Fund II LP	6,335,423	2.0	-	-	27,666,031	2.0	-	-
SKC Team 3	5,928,600	1.8	-	-	25,889,484	1.8	-	-
Lion X	5,774,800	1.8	-	-	25,217,858	1.8	-	-
InterVest Global Scale-up Fund	4,535,350	1.4	-	-	19,805,328	1.4	-	-
InterVest Malaysia OIF A	4,535,350	1.4	-	-	19,805,328	1.4	-	-
InterVest Korea Malaysia OIF B Sdn Bhd	4,535,350	1.4	-	-	19,805,328	1.4	-	-
ASIF 15	3,878,400	1.2	-	-	16,936,507	1.2	-	-
Gobi Dana Impak Ventures LP	2,923,054	0.9	-	-	12,764,626	0.9	-	-
<b>Total</b>	<b>319,679,051</b>	<b>100.0</b>			<b>1,396,000,000</b>	<b>100.0</b>		

**Notes:**

- (1) Based on 319,679,051 issued Shares after the Conversion of ICPS.
- (2) Based on 1,396,000,000 issued Shares after the Subdivision.
- (3) Deemed interested by virtue of his shareholdings in SKC Team 1 and SKC Team 3 pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of his shareholdings in SKC Team and SKC Team 3 pursuant to Section 8 of the Act.

#### 4.2.2 Institutional Offering

The Institutional Offering involves the offering of 264,672,800 IPO Shares, representing approximately 14.7% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, at the Institutional Price to institutional and selected investors.

#### 4. DETAILS OF OUR IPO (Cont'd)

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##### **Cornerstone Investors**

As part of the Institutional Offering, on [●], our Group, the Lead Bookrunner, the Joint Bookrunners and the Cornerstone Investors entered into the Master Cornerstone Placement Agreement where the Cornerstone Investors have agreed to acquire, subject to the terms of the Master Cornerstone Placement Agreement and the individual cornerstone placement agreements, an aggregate of [●] IPO Shares, representing approximately [●]% of our enlarged issued Shares at RM[●] per IPO Share or the Institutional Price, whichever is lower. None of the Cornerstone Investors will individually subscribe for 5.0% or more of our enlarged issued Shares under the cornerstone placement agreements.

The cornerstone placement agreements are conditional upon, among others, the Retail Underwriting Agreement and the Placement Agreement being entered into and not having been terminated pursuant to their respective terms.

##### **PIV Perkasa Allocation**

SkyeChip Semi is currently tenanted an office premise for a term of 3 years at the Malaysia Semiconductor IC Design Park located in Puchong, Selangor, which is pioneered by SIDEC to accelerate the growth of Malaysia's semiconductor industry. In addition, SIDEC has agreed to grant SkyeChip Semi certain subsidies pertaining to the tenancy, including rental, utility, EDA tools, office renovation and infrastructure subsidies.

In view of the above, SkyeChip had, on 10 February 2025, entered into a conditional investment agreement with SIDEC and PIV Perkasa, an entity nominated by SIDEC which is authorised by the State Government of Selangor to manage and deploy venture capital investments, whereby PIV Perkasa was offered the right to subscribe for IPO Shares amounting up to RM[●] million, representing approximately 0.4% of our enlarged issued Shares ("**Investment Shares**"), at the Institutional Price, as part of the Institutional Offering.

The completion of the PIV Perkasa Allocation is subject to the fulfilment of, among others, the following conditions:

- (i) the tenancy is valid, in force and not expired or terminated during the offer of the right to subscribe the Investment Shares; and
- (ii) the Retail Underwriting Agreement being entered into and not having been terminated pursuant to its terms.

In the event that the Investment Shares are not taken up by PIV Perkasa by the closing date of the Institutional Offering, the Investment Shares will be made available for application by other investors under the Institutional Offering and any remaining amounts under the Institutional Offering shall be subject to the clawback and reallocation provisions in Section 4.2.4 of this Prospectus.

#### 4. DETAILS OF OUR IPO (Cont'd)

##### 4.2.3 Retail Offering

The Retail Offering involves the offering of 135,327,200 IPO Shares, representing approximately 7.6% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, at the Retail Price to be allocated in the following manner:

##### (i) Allocation to the Eligible Persons

99,407,200 IPO Shares, representing approximately 5.6% of our enlarged issued Shares, are reserved for application by the Eligible Persons under the Pink Form Allocations as follows:

<u>Category of Eligible Persons</u>	<u>No. of Eligible Persons</u>	<u>Aggregate no. of IPO Shares allocated</u>
Directors <sup>(1)</sup>	4	1,562,500
Eligible employees of our Group (including directors of our subsidiaries) <sup>(2)</sup>	[●]	44,608,300
Persons who have contributed to the success of our Group <sup>(3)</sup>	[●]	53,236,400
<b>Total</b>	<b>[●]</b>	<b>99,407,200</b>

##### Notes:

(1) *The criteria for allocation to our non-executive Directors are based on, among others, their respective roles and responsibilities in our Company and they collectively will be allocated a total of 1,562,500 IPO Shares as follows:*

<u>Name</u>	<u>Designation</u>	<u>No. of IPO Shares allocated</u>
<i>Dato' Seri Wong Siew Hai</i>	<i>Independent Non-Executive Director</i>	<i>454,600</i>
<i>Dato' Seri Gooi Soon Chai</i>	<i>Independent Non-Executive Director</i>	<i>369,300</i>
<i>Datuk Alexandra Chin @ Fui Lin, J.P.</i>	<i>Independent Non-Executive Director</i>	<i>369,300</i>
<i>Norinne Ira Dewal Binti Md Ali</i>	<i>Independent Non-Executive Director</i>	<i>369,300</i>
<b>Total</b>		<b>1,562,500</b>

(2) *The allocation of our IPO Shares to the eligible employees of our Group is based on, among others, their job grade, length of service, performance and their past contributions to our Group.*

(3) *The allocation of our IPO Shares to persons who have contributed to the success of our Group is based on, among others, their length of business relationship with our Group and their contributions to the success of our Group.*

**4. DETAILS OF OUR IPO (Cont'd)****(ii) Allocation via balloting to the Malaysian Public**

35,920,000 IPO Shares, representing approximately 2.0% of our enlarged issued Shares, are reserved for application by the Malaysian Public, of which 17,960,000 IPO Shares, representing 1.0% of our enlarged issued Shares, have been set aside for application by Bumiputera citizens, companies, co-operatives, societies and institutions.

In summary, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, our IPO Shares will be allocated in the following manner:

Category	Public Issue	
	No. of Shares	<sup>(1)</sup> % of our enlarged issued Shares
<b>Retail Offering:</b>		
Eligible Persons		
- Directors	1,562,500	0.1
- Eligible employees of our Group (including directors of our subsidiaries)	44,608,300	2.5
- Persons who have contributed to the success of our Group	53,236,400	3.0
Malaysian Public (via balloting):		
- Bumiputera	17,960,000	1.0
- Non-Bumiputera	17,960,000	1.0
<b>Sub-total</b>	<b>135,327,200</b>	<b>7.6</b>
<b>Institutional Offering:</b>		
- PIV Perkasa Allocation	7,954,600	0.4
- Institutional and selected investors	256,718,200	14.3
<b>Sub-total</b>	<b>264,672,800</b>	<b>14.7</b>
<b>Total</b>	<b>400,000,000</b>	<b>22.3</b>

**Note:**

(1) Based on our enlarged issued Shares upon our Listing of 1,796,000,000 Shares.

The completion of the Retail Offering and the Institutional Offering are inter-conditional. Our IPO is also subject to the public shareholding spread requirement under the Listing Requirements as set out in Section 4.2.8 of this Prospectus.

**4.2.4 Clawback and reallocation**

The Institutional Offering and the Retail Offering shall be subject to the following clawback and reallocation provisions:

- (i) if our IPO Shares allocated to the Eligible Persons (subject to the reallocation process for Eligible Persons as set out below) are under-subscribed, such IPO Shares may be allocated to the other institutional and selected investors under the Institutional Offering or the Malaysian Public under the Retail Offering or a combination of both, at the discretion of the Lead Bookrunner, Joint Bookrunners and us;

#### 4. DETAILS OF OUR IPO (Cont'd)

- (ii) subject to item (i) above, if there is an over-subscription in the Retail Offering and there is a corresponding under-subscription in the Institutional Offering, our IPO Shares may be clawed back from the Institutional Offering and allocated to the Retail Offering; and
- (iii) subject to item (i) above, if there is an over-subscription in the Institutional Offering and there is a corresponding under-subscription in the Retail Offering, our IPO Shares may be clawed back from the Retail Offering and allocated to the Institutional Offering.

There will be no clawback and reallocation if there is an over-subscription or under-subscription in both the Institutional Offering and the Retail Offering or an under-subscription in either the Institutional Offering or the Retail Offering but no over-subscription in the other.

Any IPO Shares not taken up by any of the Eligible Persons ("**Excess IPO Shares**") will be made available for application by the other Eligible Persons who have applied for the Excess IPO Shares on top of their pre-determined allocation ("**Excess Application(s)**") and allocated on a fair and equitable basis and in the following priority:

- (a) firstly, allocation on a pro-rata basis to our Directors and eligible employees of our Group (including directors of our subsidiaries) who have applied for the Excess IPO Shares based on the number of Excess IPO Shares applied for;
- (b) secondly, allocation of any surplus Excess IPO Shares after item (a) above on a pro-rata basis to persons who have contributed to the success of our Group who have applied for the Excess IPO Shares based on the number of Excess IPO Shares applied for; and
- (c) thirdly, to minimise odd lots.

Our Board reserves the right to allot Excess IPO Shares applied for in such manner as it may deem fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in items (a) to (c) above is achieved. Our Board also reserves the right to accept or reject any Excess IPO Shares application, in full or in part, without assigning any reason.

Once completed, the steps involving items (a) to (c) above will not be repeated. Should there be any balance of Excess IPO Shares thereafter, such balance will be made available for clawback and reallocation as described in item (i) above. Any IPO Shares under the Retail Offering not applied for after being subject to the clawback and reallocation provisions above shall be underwritten by the Joint Underwriters.

As at the LPD, to the best of our knowledge and belief:

- (aa) there is no substantial shareholder, Director or Key Senior Management who have indicated that they intend to subscribe for our IPO Shares, save for our IPO Shares made available for application under the Pink Form Allocation; and
- (bb) there is no person who intends to subscribe for more than 5.0% of our IPO Shares.

#### 4. DETAILS OF OUR IPO (Cont'd)

##### 4.2.5 LTIP

In conjunction with our Listing, we have established an LTIP of up to 15.0% of our total number of issued Shares (excluding treasury shares, if any), comprising the issuance and allotment of the ESIS Shares under the ESIS and the granting of the ESOS Options under the ESOS to the eligible directors (excluding independent Directors) and employees of our Group (excluding dormant subsidiaries) ("**LTIP Eligible Persons**") at any point of time during the duration of the LTIP.

The LTIP shall be administered by the LTIP committee appointed by our Board ("**LTIP Committee**") and governed by the By-Laws.

For the purpose of facilitating the implementation and administration of the LTIP, our Company will establish a trust to be administered by a trustee(s) to be appointed by our Company ("**Trustee**") ("**Trust**"), subject to the provisions set out in the trust deed to be entered into between our Company and the Trustee ("**Trust Deed**").

The salient features of the LTIP are as follows:

**(i) Maximum number of new Shares available under the LTIP**

Our total number of new Shares which may be made available under the LTIP shall not in aggregate exceed 15.0% of our total number of issued Shares (excluding treasury shares, if any) at any one time during the duration of the LTIP ("**LTIP Awards**").

**(ii) Basis of allocation and maximum allowable allocation**

Subject to the By-Laws and any adjustment which may be made under the By-Laws, the maximum number of LTIP Awards that may be allocated to any one category of the LTIP Eligible Persons at any point of time shall be at the sole and absolute discretion of the LTIP Committee, after taking into consideration, inter alia, the LTIP Eligible Persons' seniority, job grading, performance, length of service, contribution to our Group and/or such other matters as the LTIP Committee deems fit in its sole and absolute discretion, and subject to the following conditions:

- (a) our total number of new Shares made available under the LTIP shall not exceed the amount set out in Section 4.2.5(i) of this Prospectus;
- (b) not more than 10.0% of the total number of new Shares under the LTIP shall be allocated to any LTIP Eligible Person who, either singly or collectively through persons connected (as defined in the Listing Requirements) with the LTIP Eligible Person, holds 20.0% or more of the total number of issued Shares (excluding treasury shares, if any); and
- (c) the LTIP Eligible Persons shall not participate in the deliberation or discussion of their respective allocations as well as to persons connected with them, if any,

provided always that it is in accordance with the Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

#### 4. DETAILS OF OUR IPO (Cont'd)

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##### (iii) Issue / Exercise price

###### **ESIS**

Our Company shall provide funding and/or assistance to the Trust (via the Trustee) for the subscription of the ESIS Shares at the issue price to be determined by the LTIP Committee, and in any case, shall be:

- (a) in respect of any ESIS award which is made in conjunction with our Listing, the Final Retail Price; and
- (b) in respect of any offer which is made subsequent to our Listing, the fair value of the ESIS award, which will take into account, among others, the market price of the Share on the award date of the ESIS award,

which will in turn be transferred to the LTIP Eligible Persons. For the avoidance of doubt, the ESIS Shares to be transferred to the LTIP Eligible Persons will not require any payment by them. However, they shall be liable for and bear any relevant taxes (including individual income tax) and expenses that may be incurred arising from the ESIS.

###### **ESOS**

Subject to the By-Laws and any adjustment which may be made under the By-Laws, the exercise price of the ESOS Options shall be determined by the LTIP Committee, and in any case, shall be:

- (a) in respect of any ESOS award which is made in conjunction with our Listing, the Final Retail Price; and
- (b) in respect of any offer which is made subsequent to our Listing, as determined by the LTIP Committee and shall be based on the 5-day VWAMP immediately preceding the date of the ESOS award with a discount, if any, provided always that such discount is not more than 10.0%, if deemed appropriate, or such other percentage of discount as may be permitted by any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.

##### (iv) Duration of the LTIP

The LTIP, when implemented, shall be in force for a period of 5 years from the effective date of the LTIP. Our Company may, if our Board deems fit and upon recommendation of the LTIP Committee, extend the LTIP for a period of up to another 5 years immediately from the expiry of the first 5 years, and shall not in aggregate exceed 10 years from the effective date.

#### 4. DETAILS OF OUR IPO (Cont'd)

##### (v) Eligibility

Subject to the discretion of the LTIP Committee, only eligible directors and employees of our Group (excluding independent Directors) who fulfil the following conditions as at the award date of LTIP ("**LTIP Award Date**") shall be eligible to be considered for participation in the LTIP:

##### LTIP Awards

- (a) in respect of a director of our Group, he/she:
  - (i) has attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (ii) has been appointed as a director of our Group (excluding independent Directors for such periods as may be determined by the LTIP Committee prior to and up to the LTIP Award Date;
  - (iii) has not given any notice of resignation, received a notice of termination or otherwise ceased or had his/her employment terminated prior to and up to the LTIP Award Date; and
  - (iv) fulfils any other criteria as may be determined by the LTIP Committee from time to time at its sole discretion;
- (b) in respect of an employee of our Group, he/she:
  - (i) has attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (ii) is employed on the payroll of any company within our Group (which is not dormant) and such employment has been confirmed prior to and up to the LTIP Award Date;
  - (iii) has not given any notice of resignation, received a notice of termination or otherwise ceased or had his/her employment terminated prior to and up to the LTIP Award Date; and
  - (iv) fulfils any other criteria as may be determined by the LTIP Committee from time to time at its sole discretion;
- (c) in respect of a LTIP Eligible Person who is a Director, major shareholder or chief executive of our Company or persons connected with such Director, major shareholder or chief executive of our Company, the specific allocation of the LTIP Award must have been approved by the shareholders of our Company at a general meeting unless such approval is no longer required under the Listing Requirements provided always that such interested parties shall not have voted on the resolution approving their respective allocation,

provided always that the selection of any LTIP Eligible Person for participation in the LTIP and the number of LTIP Awards to be allocated to a LTIP Eligible Person under the LTIP shall be at the sole and absolute discretion of the LTIP Committee and the decision of the LTIP Committee shall be final and binding.

**4. DETAILS OF OUR IPO (Cont'd)**

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**ESIS awards only**

The ESIS awards may require the performance targets to be met by the LTIP Eligible Persons prior to the vesting of the ESIS awards. The performance targets comprise key performance indicators to be measured against the individual performance of the ESIS participants and/or our Group as well as the performance of their respective business units within our Group, as may be determined by our Company from time to time.

Eligibility under the LTIP however, does not confer on a LTIP Eligible Person any claim or right to participate in or any right whatsoever under the LTIP and a LTIP Eligible Person does not acquire or has any right over or in connection with the LTIP awards unless the LTIP Awards have been made by the LTIP Committee to the LTIP Eligible Person and the LTIP Eligible Person has accepted the LTIP awards in accordance with the provisions of the By-Laws.

**(vi) Rights attaching to new Shares to be issued under the LTIP**

The new Shares to be allotted and issued under the LTIP shall, upon allotment and issuance, rank equally in all respects with the existing Shares and shall:

- (a) be subject to the provisions of our Constitution; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the date on which the new Shares are credited into the CDS Account of the LTIP Eligible Persons and shall in all other respects rank equally with other existing Shares then in issue.

Notwithstanding any provision in the By-Laws, the LTIP Eligible Persons shall not be entitled to any rights, dividends, allotments or other distributions attached to the Shares prior to the date on which the new Shares are credited into their respective CDS Accounts or of which is prior to the date of allotment of such new Shares.

**(vii) Retention period**

The new Shares to be allotted and issued under the LTIP will not be subject to any retention period or restriction on transfer. However, LTIP Eligible Persons are encouraged to hold the Shares as a long-term investment and not for any speculative and/or capitalisation of any immediate gain.

Notwithstanding the above, the LTIP Committee shall be entitled to prescribe or impose, in relation to any LTIP Award, any condition relating to any retention period or restriction on the transfer of the new Shares to be issued under the LTIP as the LTIP Committee deems fit.

#### 4. DETAILS OF OUR IPO (Cont'd)

In conjunction with our Listing, we intend to grant approximately 9,040,000 ESOS Options to the employees of our Group who meet the eligibility criteria to participate in the LTIP as set out in the By-Laws in Annexure B of this Prospectus. Assuming the 9,040,000 ESOS Options are fully exercised into 9,040,000 new Shares, such Shares will represent approximately 0.5% of our enlarged issued Shares upon our Listing. The exercise price for the said 9,040,000 ESOS Options shall be the Final Retail Price.

We do not intend to allot and issue any ESIS Shares in conjunction with our Listing.

Any further grant, issuance or allotment under the LTIP to any of the eligible Directors, major shareholders, chief executive of our Company and persons connected with them shall require the prior approval of our shareholders in a general meeting.

The grant of the ESOS Options in conjunction with our Listing will not have an immediate effect on the consolidated NA and NA per Share until such time new Shares are issued when the ESOS Options are exercised.

For illustrative purposes only, assuming the entire 9,040,000 ESOS Options are granted and vested immediately upon our Listing, and that all ESOS Options are exercised at an exercise price of RM[●] for each new Share, being the Retail Price, the indicative pro forma financial effects based on our audited consolidated statements of financial position as at 31 March 2025 are as follows:

	<b>Pro Forma</b>	
	<b>Upon our Listing</b>	<b>Assuming exercise of the entire 9,040,000 ESOS Options</b>
	<b>RM'000</b>	<b>RM'000</b>
Total equity	[●]	[●]
No. of Shares in issue ('000)	1,796,000	1,805,040
NA per Share (RM) <sup>(1)</sup>	[●]	[●]
Lease liabilities	3,196	3,196
Gearing ratio (times) <sup>(2)</sup>	(3) <sub>-</sub>	(3) <sub>-</sub>

**Notes:**

- (1) Computed based on total equity divided by number of Shares in issue.
- (2) Computed based on lease liabilities over total equity.
- (3) Less than 0.05 times.

Any potential effect on the consolidated NA per Share will depend on the number of ESOS Options and ESIS Shares that have been vested and the exercise price of the ESOS Options.

#### 4.2.6 Share capital

Upon completion of our IPO, our share capital will be as follows:

	<b>No. of Shares</b>	<b>RM'000</b>
After the Subdivision	1,396,000,000	53,500
To be issued under our Public Issue	400,000,000	<sup>(1)</sup> [●]
<b>Enlarged number of issued Shares and share capital upon Listing</b>	<b>1,796,000,000</b>	<b>[●]</b>

#### 4. DETAILS OF OUR IPO (Cont'd)

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**Note:**

- (1) *Calculated based on the Retail Price and after adjusting against our share capital, the estimated listing expenses of approximately RM[●] million assumed to be directly attributable to our Public Issue.*

##### 4.2.7 Classes of shares and ranking

As at the date of this Prospectus, we only have one class of shares, being ordinary shares.

Our IPO Shares will, upon allotment and issue, rank equally in all respects with our existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of allotment of our IPO Shares, subject to any applicable Rules of Bursa Depository.

Subject to any special rights attaching to any Shares we may issue in the future, our shareholders will, in proportion to the amount paid on our Shares held by them, be entitled to share the profits paid out by us in the form of dividends and other distributions. Similarly, if our Company is liquidated, our shareholders will be entitled to the surplus (if any), in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

At every general meeting of our Company, each of our shareholders will be entitled to vote in person, by proxy, by attorney or by other duly authorised representative. Any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative will have one vote for each Share held or represented. A proxy may but need not be a member of our Company.

##### 4.2.8 Minimum subscription level

There is no minimum subscription level in terms of proceeds to be raised from our IPO. However, in order to comply with the public shareholding spread requirement under the Listing Requirements, the minimum subscription level in terms of the number of IPO Shares will be the number of Shares required to be held by the public shareholders of our Company to comply with the minimum public shareholding spread requirement under the Listing Requirements or as approved by Bursa Securities.

Under the Listing Requirements, we are required to have a minimum of 25.0% of our Shares held by at least 1,000 public shareholders, each holding not less than 100 Shares at the point of our Listing.

If the above requirement is not met, we may not be able to proceed with our Listing. See Section 5.3.4 of this Prospectus for details in the event there is a delay in or termination of our Listing.

#### 4. DETAILS OF OUR IPO (Cont'd)

### 4.3 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES AND REFUND MECHANISM

#### 4.3.1 Retail Price

The Retail Price was determined and agreed upon between our Directors in consultation with the Lead Bookrunner and Joint Bookrunners, after taking into consideration the following factors:

- (i) PE Multiple of approximately [●] times based on our EPS of 2.00 sen after taking into account our PAT of RM35.9 million for the FYE 31 March 2025 where our effective tax rate was 2.9% and our enlarged issued Shares upon our Listing of 1,796,000,000 Shares. Our effective tax rate for the FYE 31 March 2025 of 2.9% was attributable to the approved tax exemption under Section 127(3A) of the Income Tax Act 1967, 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. For further details, see Section 12.2.2(h) of this Prospectus.

For illustrative purposes only, assuming that we did not have any tax exemption for the FYE 31 March 2025, our effective tax rate would be 25.7% (where the tax expense is RM9.5 million), instead of 2.9% (where the tax expense is RM1.1 million). Our pro forma PAT for the FYE 31 March 2025 after adjusting for the absence of the tax exemption would be approximately RM27.5 million and the PE Multiple represented by the Retail Price would be [●] times.

The PE Multiples of approximately [●] times and [●] times are lower than the average PE Multiple of the comparable companies listed on foreign stock exchanges as set out in the table at the end of Section 4.3.1 of this Prospectus, of 108.9 times;

- (ii) our pro forma consolidated NA per Share of RM[●] as at 31 March 2025 after our IPO based on our enlarged issued Shares upon our Listing of 1,796,000,000 Shares;
- (iii) our competitive strengths, as follows:
  - (a) we have designed and commercialised multiple high-performance and high-bandwidth memory interface IP to drive our business growth and sustain our competitive advantages;
  - (b) we have access to advanced technologies down to a 4nm process node supported by foundries as well as certain third-party design tool providers;
  - (c) we are the original designer of standard silicon IP featuring reconfigurability which enables us to license our products to multiple customers, providing us with a modular and scalable business model to sustain and drive our business growth;
  - (d) we have successfully commercialised both coherent and non-coherent Network-on-Chip IPs which will help grow our business;
  - (e) we have in-house developed proprietary software that provides ease of use to configure our Network-on-Chip IP into our customers' ICs;

#### 4. DETAILS OF OUR IPO (Cont'd)

- (f) we have experienced Executive Directors backed by a skilled technical team to sustain and further develop our business;
- (g) our business has experienced high revenue growth demonstrating the acceptance of our products and services to serve as the platform for further business growth;
- (h) we have the ability to provide custom silicon IP for our customers to foster customer loyalty and secure new contracts; and
- (i) we are engaged in various industry standard definition bodies including JEDEC, UCle and PCI-SIG that enable us to participate in early discussions on the evolving IP standards;
- (iv) our strategies and future plans, as follows:
  - (a) expand silicon IP portfolio and field of application;
  - (b) design and develop compute and AI silicon products;
  - (c) design and develop 2.5D/3D and other silicon products; and
  - (d) establish and expand facilities and resources;
- (v) outlook of the IC design industry, as described in Section 8 of this Prospectus. The large and growing global IC design market presents significant opportunities for our Group. Global IC design revenue grew at a CAGR of 28.0% between 2020 and 2024, reaching USD235.9 billion in 2024 (*Source: IMR Report*); and
- (vi) prevailing market conditions, including market performance of key global indices and companies involved in similar businesses listed on Bursa Securities and regional stock exchanges, current market trends as well as investors' sentiments.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date and will be the lower of:

- (i) the Retail Price; or
- (ii) the Institutional Price.

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest thereon. Further details on the refund mechanism are set out in Section 4.3.3 of this Prospectus.

#### 4. DETAILS OF OUR IPO (Cont'd)

The Final Retail Price and the Institutional Price will be announced within two Market Days from the Price Determination Date via Bursa Listing Information Network. In addition, all successful applicants will be given written notice of the Final Retail Price and the Institutional Price, together with the notices of allotment for our IPO Shares.

The PE Multiple of comparable companies set out in the IMR Report as included in Section 8 of this Prospectus, which are involved in IC design primarily in the design and development of silicon IP and, where applicable, secondarily in the development of ASIC, are as follows:

Company name <sup>(1)</sup>	Country of listing	Stock exchange	Market capitalisation as at 11 March 2026 <sup>(2)</sup> (RM' million)	PE Multiple <sup>(3)</sup> (times)
<b>Malaysian based</b>				
Oppstar Berhad (" <b>Oppstar</b> ")*	Malaysia	Bursa Securities	144	NA
Key ASIC Berhad (" <b>Key ASIC</b> ")*	Malaysia	Bursa Securities	35	NA
Starfive Technology International Sdn Bhd (formerly known as <i>Tenasic Technology Sdn Bhd</i> ) (" <b>Starfive</b> ")@	NA	NA	NA	NA
Infinecs Systems Sdn Bhd (" <b>Infinecs</b> ")@	NA	NA	NA	NA
<b>Foreign based</b>				
Brite Semiconductor (Shanghai) Co., Ltd (" <b>Brite</b> ")	China	Shanghai Stock Exchange	7,706	221.4
Faraday Technology Corporation (" <b>Faraday</b> ")	Taiwan	Taiwan Stock Exchange (" <b>TWSE</b> ")	4,947	37.4
Global Unichip Corporation (" <b>GUC</b> ")	Taiwan	TWSE	39,239	84.4
M31 Technology Corporation (" <b>M31</b> ")	Taiwan	Taipei Exchange	2,468	157.7
ARM#	USA	NASDAQ	497,081	160.2
Rambus Inc. (" <b>Rambus</b> ")	USA	NASDAQ	39,069	43.3
Egis Technology Inc. (" <b>Egis</b> ")*	Taiwan	Taipei Exchange	1,198	NA
Silvaco Group, Inc. (" <b>Silvaco</b> ")*	USA	NASDAQ	410	NA
Arteris, Inc. (" <b>Arteris</b> ")*	USA	NASDAQ	2,782	NA

4. DETAILS OF OUR IPO (Cont'd)

Company name <sup>(1)</sup>	Country of listing	Stock exchange	Market capitalisation as at 11 March 2026 <sup>(2)</sup> (RM' million)	PE Multiple <sup>(3)</sup> (times)
Alphawave IP Group Plc (“Alphawave”) <sup>@</sup>	NA	NA	NA	NA
<b>High</b>				<b>221.4</b>
<b>Average</b>				<b>108.9</b>
<b>Low</b>				<b>37.4</b>
SkyeChip	Malaysia <sup>^</sup>	Bursa Securities <sup>^</sup>	[●] <sup>(4)</sup>	[●]

(Source: Annual reports and audited financial statements of the respective comparable companies)

**Notes:**

NA Not available.

\* Not applicable as it recorded net losses based on its latest available audited financial statements and excluded from the computation of the average PE Multiple.

@ Not applicable as it is not a listed entity and excluded from the computation of the average PE Multiple.

# Deemed as an outlier as its market capitalisation as at 11 March 2026 is significantly larger compared to the remaining comparable companies and excluded from the computation of the average PE Multiple.

<sup>^</sup> To be listed on the Main Market of Bursa Securities.

(1) The principal activities of the comparable companies and their respective principal markets and revenue segments based on their respective latest available audited financial statements (“**Relevant Revenue Segments**”) are as follows:

	Company	Principal activities	Principal markets	Financial year end	Relevant Revenue Segment	
					Silicon IP	ASIC
(a)	Brite	Custom ASIC and IP solutions provider	Predominantly China	31 December 2024	✓	✓
(b)	Faraday	Fabless ASIC vendor and silicon IP and system platform provider	Taiwan, China, Asia Pacific, Europe and USA	31 December 2024	✓	✓

## 4. DETAILS OF OUR IPO (Cont'd)

	Company	Principal activities	Principal markets	Financial year end	Relevant Revenue Segment	
					Silicon IP	ASIC
(c)	GUC	Mainly engaged in R&D, production, testing and sales of embedded memory and logic components, cell libraries, and EDA tools for various application ICs, as well as customisation, design, technical support and licensing of IP	USA, China, Taiwan, Japan, South Korea and Europe	31 December 2025	✓	✓
(d)	M31	Mainly involved in providing silicon IP design services	China, Taiwan and USA	31 December 2024	✓	-
(e)	ARM	Mainly involved in the business of licensing, marketing, R&D of CPU design IP, graphics processors, system IP, physical IP, market optimised platform IP, and associated software, tools and other related services	USA, China, Taiwan and South Korea	31 March 2025	✓	-
(f)	Rambus	Mainly involved in R&D, design, sale and marketing of memory interface chips and silicon IP solutions, as well as other related services	South Korea, Singapore and USA	31 December 2025	✓	✓
(g)	Egis	Fabless company mainly involved in the provision of silicon IP and chiplet design services	Taiwan and Asia	31 December 2024	✓	✓
(h)	Silvaco	Technology computer aided design software, EDA software and semiconductor IP provider	USA, China, Japan, South Korea and Taiwan	31 December 2025	✓	-
(i)	Arteris	Semiconductor system IP provider, including interconnect and other IP technology	USA, the Americas, China, South Korea, Asia Pacific, Europe and the Middle East	31 December 2025	✓	-
(j)	Alphawave	Mainly involved in the development of compute IP, ASICs, ICs and chiplets	North America, China, Asia Pacific, Europe, Middle East and Africa	31 December 2024	✓	✓

## 4. DETAILS OF OUR IPO (Cont'd)

	<u>Company</u>	<u>Principal activities</u>	<u>Principal markets</u>	<u>Financial year end</u>	<u>Relevant Revenue Segment</u>
	<u>IC design services companies in Malaysia</u>				<u>IC design services</u>
(k)	Oppstar	Mainly involved in the provision of IC design services, post-silicon validation services, software and engineering solutions, R&D on engineering and technology, provision of sales and marketing services, technical support and other related services	Malaysia, Singapore, Japan and China	31 March 2025	✓
(l)	Key ASIC	Mainly involved in the business of turnkey ASIC design services, providing data processing, data management, disk-based backup solutions, telecommunications, office automation, network infrastructure and intelligent storage network support	Malaysia and Taiwan	31 May 2025	✓ <sup>(5)</sup>
(m)	Starfive	Mainly involved in R&D activities on engineering and technology	China	31 December 2024	✓
(n)	Infinecs	Mainly involved in engineering design services, information service activities, R&D on engineering services and information communication technology	NA	31 December 2024	✓

(2) Figures in RM are based on the exchange rate quoted by BNM as at 11 March 2026 for the relevant currencies of the comparable companies.

(3) Based on market price as at 11 March 2026 and the latest available audited financial statements of the respective comparable companies.

(4) Based on the Retail Price and our enlarged issued shares of 1,796,000,000 upon our Listing.

(5) Focusing on ASIC design services.

The comparable companies were also selected based on their relevance to our Group's operating and strategic profile and are established IC design and silicon IP companies globally. These companies' products and services are integrated into a range of end-market applications, across the semiconductor and electronics industry.

The comparable companies operate across IC design, including design services, development of silicon IPs and custom ASICs, which provide meaningful comparability to our Group, given our position as one of Malaysia's notable IC design companies with a proven track record in designing and commercialising high-performance silicon IPs and silicon products mainly for high performance computing and AI applications.

#### 4. DETAILS OF OUR IPO (Cont'd)

##### 4.3.2 Institutional Price

The Institutional Price will be determined by a bookbuilding process wherein prospective institutional and selected investors will be invited to bid for portions of the Institutional Offering by specifying the number of our IPO Shares they would be prepared to acquire and the price they would be prepared to pay for our IPO Shares in respect of the Institutional Offering. This bookbuilding process commenced on [●] and will end on [●]. Upon completion of the bookbuilding process, the Institutional Price will be fixed by our Directors in consultation with the Lead Bookrunner and Joint Bookrunners on the Price Determination Date.

##### 4.3.3 Refund mechanism

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest. The refund will be made:

- (i) in the form of cheques to be despatched by ordinary post to the address maintained with Bursa Depository for applications made via the Application Form; or
- (ii) by crediting into the accounts of the successful applicants with the Participating Financial Institution for applications made via the Electronic Share Application or the Internet Participating Financial Institution or Participating Securities Firm for applications made via the Internet Share Application,

within 10 Market Days from the date of final ballot of applications, at the successful applicants' own risk.

For further details on the refund mechanism, see Section 15.9 of this Prospectus.

##### 4.3.4 Expected market capitalisation

Based on the Retail Price, the total market capitalisation of our Company upon our Listing would be RM[●].

**You should also note that the market price of our Shares upon our Listing is subject to the vagaries of market forces and other uncertainties. You are reminded to carefully consider the risk factors as set out in Section 5 of this Prospectus.**

#### 4.4 DILUTION

##### 4.4.1 NA per Share

Dilution is the amount by which our pro forma consolidated NA per Share after our IPO is less than the price paid by retail, institutional and selected investors for our IPO Shares. Our pro forma consolidated NA per Share as at 31 March 2025 after adjusting for the Subdivision, and before adjusting for our IPO was IPO was RM[●], based on our enlarged issued Shares of 1,396,000,000 following the Subdivision.

After taking into account our enlarged issued Shares from the issuance of 400,000,000 IPO Shares and after adjusting for the use of proceeds from our Public Issue, our pro forma consolidated NA per Share as at 31 March 2025 would be RM[●]. This represents an immediate increase in consolidated NA per Share of RM[●] to our existing shareholders and an immediate dilution in NA per Share of RM[●] (representing approximately [●]%) of the Retail Price and the Institutional Price (assuming the Final Retail Price and the Institutional Price will be equal to the Retail Price), to the retail/institutional and selected investors.

#### 4. DETAILS OF OUR IPO (Cont'd)

The following table illustrates the dilution on a per Share basis assuming the Retail Price is equal to the Final Retail Price and the Institutional Price:

		<b>RM</b>
Retail Price/Institutional Price	A	[•]
Pro forma consolidated NA per Share as at 31 March 2025 after the Subdivision and before adjusting for our IPO	B	[•]
Pro forma consolidated NA per Share as at 31 March 2025 after the Subdivision and after adjusting for the use of proceeds from our Public Issue	C	[•]
Increase in pro forma consolidated NA per Share to our existing shareholders	C - B	[•]
Dilution in pro forma consolidated NA per Share to the retail/institutional and selected investors	A - C	[•]
Dilution in pro forma consolidated NA per Share to the retail/institutional and selected investors as a percentage of the Retail Price/Institutional Price	$(A - C) / A$	[•]%

#### 4.4.2 Effective cost per Share

Save as disclosed below, none of our substantial shareholders, Directors, Key Senior Management or persons connected to them had acquired, obtained the right to acquire and/or subscribe for our Shares in the past 3 years up to the LPD:

<u>Name</u>	<u>Date of investment</u>	<u>No. of Shares allotted/ transferred</u>	<u>Allotted/ transferred</u>	<u>Total consideration (RM)</u>	<u>No. of Shares after the Subdivision</u>	<u>Effective cost per Share (RM)</u>
<b><u>Promoters, Directors and substantial shareholders</u></b>						
Dato' Fong Swee Kiang	15 June 2022	50,000,000	Allotted	500,000	218,343,991	(1)-
	28 July 2023	50,000,000	Allotted	500,000	218,343,991	(1)-
Teh Chee Hak	15 June 2022	50,000,000	Allotted	500,000	218,343,991	(1)-
	28 July 2023	50,000,000	Allotted	500,000	218,343,991	(1)-
<b><u>Substantial shareholder</u></b>						
SKC Team 2 <sup>(2)</sup>	6 March 2024	32,542,000	Transferred	16,271,000	142,107,003	0.11
<b><u>Others</u></b>						
SKC Team <sup>(2)</sup>	11 July 2024	5,100,000	Transferred	51,000	222,710,871	(1)-
	15 July 2024	4,885,000	Transferred	3,810,300	21,332,208	0.18
SKC Team 1 <sup>(2)</sup>	11 July 2024	5,100,000	Transferred	51,000	222,710,871	(1)-
	15 July 2024	4,865,000	Transferred	3,794,700	21,244,870	0.18
SKC Team 3 <sup>(2)</sup>	18 September 2024	3,023,600	Transferred	30,236	13,203,698	(1)-
	26 September 2024	2,905,000	Transferred	6,797,700	12,685,786	0.54

#### 4. DETAILS OF OUR IPO (Cont'd)

**Notes:**

- (1) Less than RM0.01.
- (2) Being persons connected to the Promoters.

#### 4.5 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue amounting to approximately RM[●] million<sup>(1)</sup> in the following manner:

Description of use of proceeds	Estimated timeframe for use from the date of our Listing	RM' million	%
R&D of IC products	Within 36 months	[●]	44.1
R&D of silicon IP	Within 36 months	[●]	16.0
Expansion of operational facilities and resources	Within 36 months	[●]	5.4
Expansion of computing infrastructure and labs	Within 36 months	[●]	10.8
Subscription, licensing and/or purchase of EDA and development tools	Within 36 months	[●]	10.4
Working capital	Within 36 months	[●]	10.5
Defray fees and expenses relating to our IPO and Listing	Within 3 months	[●]	2.8
<b>Total</b>		<b>[●]</b>	<b>100.0</b>

**Note:**

- (1) We have assumed that the Institutional Price and the Final Retail Price will be equal to the Retail Price.

Further details on the use of proceeds from our Public Issue are as follows:

##### 4.5.1 R&D of IC products

As part of our continuing efforts to address the rising demand for high-performance, energy-efficient processing in data centres and AI applications, and to extend our IC design capabilities to address opportunities in advanced semiconductors packaging, we intend to use approximately RM[●] million or 44.1% of the gross proceeds from our Public Issue to fund a substantial portion of the estimated investment cost for the design and development of new custom compute and AI silicon products as well as new 2.5D/3D and other silicon products of RM[●] million, which are expected to be completed within 36 months from the date of our Listing. The remaining RM[●] million will be funded from internally generated funds and/or bank borrowings. The estimated investment cost includes staff costs, mask set and wafers, packaging, interposer, testing and characterisation, consultation and services, and third party IPs.

**4. DETAILS OF OUR IPO (Cont'd)**

The breakdown of the planned use of proceeds for R&D of IC products is as follows:

<b>Description</b>	<b>RM' million</b>
Technical staff costs <sup>(1)</sup>	[●]
Mask set and wafers	[●]
Packaging, interposer, testing and characterisation	[●]
Consultation and services	[●]
Third party IPs	[●]
<b>Total</b>	<b>(2)[●]</b>

**Notes:**

- (1) *Comprising technical staff costs for the recruitment of an estimated total of 144 new permanent technical personnel over the next 36 months, which is expected to be incurred progressively as and when new contracts or orders are secured from customers. For the Financial Years Under Review, our technical staff costs constituted approximately 40% to 50% of our revenue. Moving forward, we intend to manage our technical staff costs to revenue ratio to be broadly within this range, taking into account our business growth and profitability considerations.*

*As at the LPD, we have not identified any technical personnel to be recruited. The timing of such recruitment will be driven by project schedules and the anticipated commencement of new contracts or orders. Based on our experience, we do not expect material difficulties in sourcing suitable technical personnel as required progressively over the next 36 months. Our technical personnel increased from 122 personnel as at 31 March 2023 to 318 personnel as at the LPD. The typical recruitment cycle for technical personnel, from the commencement of the recruitment process up to the commencement of employment, is approximately 1 to 3 months.*

*We do not anticipate significant incremental cost or the need for a significant increase in the number of technical personnel in the immediate term, as our existing workforce of 318 technical personnel is sufficient to address our short-term operational requirements during the recruitment period. As our business continues to grow and expand, and following the completion of the relevant R&D activities, the recruited technical personnel will be redeployed to support new projects.*

- (2) *Approximately 80% of the proceeds is allocated for our Malaysia operations and the remaining 20% for our Vietnam operations.*

The estimated investment cost for our R&D of IC products relating to capital expenditure such as mask set and wafers, packaging, interposer, testing and characterisation as well as third party IPs are subject to capitalisation and subsequent depreciation and amortisation. The remaining investment costs relating to operating expenditure such as staff costs and consultation and services are anticipated to be expensed as incurred, unless they meet the capitalisation criteria prescribed under the applicable MFRS. All the investment cost for our R&D of IC products is to be incurred progressively as and when new contracts or orders are secured from customers.

The breakdown as disclosed above is indicative and is dependent on the operating requirement of our Group at the time of utilisation.

As part of our strategies and future plans, we target to extend our IC design capabilities to design and develop new compute and AI silicon products as well as 2.5D/3D and other silicon products, where the planned use of proceeds is as follows:

#### 4. DETAILS OF OUR IPO (Cont'd)

Description	RM' million
Compute and AI silicon products <sup>(1)</sup>	[●]
2.5D/3D and other silicon products	[●]
<b>Total</b>	<b>[●]</b>

**Note:**

(1) *Among the new compute and AI silicon products that we plan to develop include high-performance CPU and AI platforms. In March 2025, Malaysia announced a 10-year partnership worth USD250 million (approximately RM1.1 billion) with ARM to acquire various IP licences, including 7 CSS and 25 AFA tokens, and to train 10,000 engineers. This is part of the national initiative, Silicon Vision, which offers opportunities for semiconductor and IC design companies to participate and grow within the local ecosystem. As at the LPD, we have submitted our application for access to one CSS platform and one AFA platform. Subsequent to the LPD, we received the letter of conditional approval from the relevant authority for access to a CSS platform in November 2025, and are currently in discussions with the relevant authority on the terms and conditions of the definitive agreement in relation to the letter of conditional approval. As at the LPD, our application for access to one AFA platform remains under review.*

*In the event we obtain access to the CSS platform, we intend to allocate approximately RM[●] million for the design and development of the high-performance CPU platform using the CSS platform. Access to the CSS platform would enable us to develop a general-purpose server CPU platform, which is typically designed to address a broad base of customers and workloads across cloud, enterprise and data centre environments. If the access to the CSS platform is not secured, the proceeds of RM[●] million will be redeployed towards the development of custom compute and AI hardware accelerators that do not require the CSS platform. Such solutions are typically developed to address specific workloads or system requirements and are often designed for individual customers or defined system architectures. Alternatively, we will pursue other CPU solutions (such as RISC-V) for the high-performance CPU platform. Compared to the CSS platform, RISC-V is an open-standard Instruction Set Architecture (ISA) with a relatively less established ecosystem, which may require additional development efforts, including ecosystem integration and software enablement. This will result in incremental engineering costs, including licensing fees for RISC-V cores and the need for additional engineering resources. Any incremental engineering costs associated with such other CPU solutions will be funded by internally generated funds and/or bank borrowings.*

If the actual investment cost for the R&D of IC products exceeds the estimated investment cost of RM[●] million, the shortfall will be funded out of the portion allocated for our working capital requirements as well as using internally generated funds. Conversely, any excess funds not used for this purpose will be used to meet the working capital requirements for our Group.

For further details on our strategies and future plans, in particular, compute and AI silicon products as well as 2.5D/3D and other silicon products, see Section 7.5.2 and Section 7.5.3 of this Prospectus.

#### 4.5.2 R&D of silicon IP

As part of our ongoing efforts to expand our silicon IP portfolio and drive business growth, and to expand into the automotive IP market to capitalise on the growing opportunities driven by the increasing demand for advanced automotive technologies, we intend to use approximately RM[●] million or 16.0% of the gross proceeds from our Public Issue to fund the entire estimated investment cost for the design and development of a new generation of Network-on-Chip IP and memory interface IP and the development of automotive IP, which are expected to be completed within 36 months from the date of our Listing. The estimated investment cost includes staff costs, mask set and wafers, packaging, interposer, testing and characterisation.

**4. DETAILS OF OUR IPO (Cont'd)**

The breakdown of planned use of proceeds for R&D of silicon IP is as follows:

<b>Description</b>	<b>RM' million</b>
Technical staff costs <sup>(1)</sup>	[•]
Mask set and wafers	[•]
Packaging, interposer, testing and characterisation	[•]
<b>Total</b>	<b>(2)[•]</b>

**Notes:**

- (1) *Comprising technical staff costs for the recruitment of an estimated total of 87 new permanent technical personnel over the next 36 months. Approximately 75% of technical staff costs is expected to be incurred progressively as and when new contracts or orders are secured from customers. The remaining 25% of the technical staff costs is anticipated to be incurred for the development of our standard silicon IP portfolio, irrespective of whether such contracts or orders are secured.*

*For the Financial Years Under Review, our technical staff costs constituted approximately 40% to 50% of our revenue. Moving forward, we intend to manage our technical staff costs to revenue ratio to be broadly within this range, taking into account our business growth and profitability considerations.*

*As at the LPD, we have not identified any technical personnel to be recruited. The timing of such recruitment will be driven by project schedules, the anticipated commencement of new contracts or orders, and for the development of new standard silicon IP. Based on our experience, we do not expect material difficulties in sourcing suitable technical personnel as required progressively over the next 36 months. Our technical personnel increased from 122 personnel as at 31 March 2023 to 318 personnel as at the LPD. The typical recruitment cycle for technical personnel, from the commencement of the recruitment process up to the commencement of employment, is approximately 1 to 3 months.*

*We do not anticipate significant incremental cost or the need for a significant increase in the number of technical personnel in the immediate term, as our existing workforce of 318 technical personnel is sufficient to address our short-term operational requirements during the recruitment period. As our business continues to grow and expand, and following the completion of the relevant R&D activities, the recruited technical personnel will be redeployed to support new projects.*

- (2) *Approximately 70% of the proceeds is allocated for our Malaysia operations and the remaining 30% for our Vietnam operations.*

The estimated investment cost for our R&D of silicon IP relating to capital expenditure such as mask set and wafers, packaging, interposer, testing and characterisation are subject to capitalisation and subsequent depreciation. The remaining investment costs relating to operating expenditure, namely staff costs, are anticipated to be expensed as incurred, unless they meet the capitalisation criteria prescribed under the applicable MFRS. Approximately 75% of the investment cost for our R&D of silicon IP is to be incurred progressively as and when new contracts or orders are secured from customers, while the remaining 25% is to be incurred for the development of our silicon IP portfolio, irrespective of whether such contracts or orders are secured.

The breakdown as disclosed above is indicative and is dependent on the operating requirement of our Group at the time of utilisation.

If the actual investment cost for the R&D of silicon IP exceeds the earmarked amount, the shortfall will be funded out of the portion allocated for our working capital requirements as well as using our internally generated funds. Conversely, any excess funds not used for this purpose will be used to meet the working capital requirements for our Group.

#### 4. DETAILS OF OUR IPO (Cont'd)

For further details on our strategies and future plans, in particular, expansion of silicon IP portfolio and expansion of new field of application - automotive silicon IP, see Section 7.5.1 of this Prospectus.

##### 4.5.3 Expansion of operational facilities and resources

We intend to use approximately RM[●] million or 5.4% of the gross proceeds from our Public Issue to fund the entire estimated investment cost for expansion of our existing operations in Malaysia and Vietnam, as well as establishment of new R&D and/or sales offices in Japan and the USA. The estimated investment cost includes staff costs, rental expenses and IT infrastructure expenses.

The breakdown of the planned use of proceeds for expansion of operational facilities and resources is as follows:

Description	RM' million
Staff costs <sup>(1)</sup>	[●]
Rental expenses for sales and R&D offices	[●]
IT infrastructure	[●]
<b>Total</b>	<b>(2)[●]</b>

**Notes:**

- (1) *Comprising staff costs for the progressive recruitment of an estimated total of 12 new permanent business development personnel over the next 36 months as and when the new R&D and/or sales offices are established. As at the LPD, we have not identified any business development personnel to be recruited.*
- (2) *Approximately 25% of the proceeds is allocated for our Malaysia operations and the remaining 75% for our foreign operations, of which approximately 10% is allocated for our Vietnam operations.*

As at the LPD, we are still in the midst of identifying suitable locations to be leased for our new R&D and sales offices. Our Group does not intend to acquire any properties for the establishment of our new R&D and/or sales offices. This approach will allow our Group to retain operational flexibility, optimise costs and adjust space requirements in line with project developments and headcount growth.

The breakdown disclosed above is indicative and is dependent on the operating requirement of our Group at the time of utilisation.

If the actual investment cost for the expansion of operational facilities and resources exceeds the earmarked amount, the shortfall will be funded out of the portion allocated for our working capital requirements as well as using our internally generated funds. Conversely, any excess funds not used for this purpose will be used to fund our working capital requirements.

For further details on our strategies and future plans in particular, establishment and expansion of new R&D and sales offices, see Section 7.5.4(i) of this Prospectus.

#### 4. DETAILS OF OUR IPO (Cont'd)

##### 4.5.4 Expansion of computing infrastructure and labs

As part of our facility expansion plan, we intend to use approximately RM[●] million or 10.8% of the gross proceeds from our Public Issue to fund the entire estimated investment cost for the expansion of computing infrastructure, labs, and purchase and/or lease of equipment. The estimated investment cost includes the purchase of servers, data storage and network equipment to handle intensive simulations, synthesis and verification tasks which will support our complex design works as well as enabling cloud integration for scalable simulation, verification and data storage with backup solutions to ensure redundancy. Additionally, we will purchase and/or lease laboratory equipment such as oscilloscopes for signal integrity and timing analysis, logic analysers for digital signal analysis from prototypes, and pattern generators for generating stimulus patterns to test silicon IP functions.

The breakdown of the planned use of proceeds for expansion of computing infrastructure and labs is as follows:

Description	RM' million
Computing infrastructure for IC products	[●]
Computing infrastructure for silicon IPs	[●]
Labs and equipment	[●]
<b>Total</b>	<b>(1)[●]</b>

**Note:**

(1) *Approximately 90% of the proceeds is allocated for our Malaysia operations and the remaining 10% for our Vietnam operations.*

The computing infrastructure and labs and equipment will be housed within our Group's existing leased R&D office in Malaysia and Vietnam, as well as our future leased R&D office in the USA which forms part of our Group's facility expansion plan. The servers, data storage and network equipment, and laboratory equipment are transferable between our Group's R&D office locations, where required.

The estimated useful lives of the computing infrastructure and equipment is 3 years.

We have identified potential suppliers, including certain existing suppliers, for the computing infrastructure and labs and equipment. However, as at the LPD, we have not entered into any arrangements with these suppliers. Given that some of these suppliers are foreign suppliers, we may be exposed to foreign currency risks in connection with any future purchases or leases from these suppliers.

The breakdown disclosed above is indicative and is dependent on the operating requirement of our Group at the time of utilisation.

If the actual investment cost for expansion of computing infrastructure and labs exceeds the earmarked amount, the shortfall will be funded out of the portion allocated for our working capital requirements as well as using our internally generated funds. Conversely, any excess funds not used for this purpose will be used to meet the working capital requirements for our Group.

For further details on our strategies and future plans in particular, the expansion of computing infrastructure and labs, see Section 7.5.4(ii) of this Prospectus.

#### 4. DETAILS OF OUR IPO (Cont'd)

##### 4.5.5 Subscription, licensing and/or purchase of EDA and development tools

As part of our facility expansion plan, we also intend to allocate approximately RM[●] million or 10.4% of the gross proceeds from our Public Issue to fund the entire estimated investment cost for the subscription of EDA tools and purchase of development tools, including validation and test tools from multiple providers to support the design and development works.

The breakdown of the planned use of proceeds for the subscription of EDA tools and purchase of development tools is as follows:

Description	RM' million
EDA software for IC products	[●]
EDA software for silicon IPs	[●]
Development tools including test and validation tools	[●]
<b>Total</b>	<b>(1)[●]</b>

**Note:**

(1) *Approximately 90% of the proceeds is allocated for our Malaysia operations and the remaining 10% for our Vietnam operations.*

We have identified potential suppliers, including certain existing suppliers, for the EDA tools and development tools. However, as at the LPD, we have not entered into any arrangements with these suppliers. Given that some of these suppliers are foreign suppliers, we may be exposed to foreign currency risks in connection with any future purchases or leases from these suppliers.

The breakdown disclosed above is indicative and is dependent on the operating requirement of our Group at the time of utilisation.

If the actual investment cost for the subscription of EDA tools and purchase of development tools exceeds the earmarked amount, the shortfall will be funded out of the portion allocated for our working capital requirements as well as using our internally generated funds. Conversely, any excess funds not used for this purpose will be used to meet the working capital requirements for our Group.

For further details on our strategies and future plans in particular, the subscription, licensing and/or purchase of EDA and development tools, see Section 7.5.4(ii) of this Prospectus.

##### 4.5.6 Working Capital

We intend to use approximately RM[●] million or 10.5% of the gross proceeds from our Public Issue to fund the working capital requirements of our Group. Working capital will be used to finance expenses such as staff costs, rental and utility expenses which are required for our operations.

**4. DETAILS OF OUR IPO (Cont'd)**

The breakdown of the planned use of proceeds for working capital on best estimate basis is as follows:

<b>Description</b>	<b>RM' million</b>
Staff costs	[●]
Rental expenses	[●]
Utility expenses	[●]
<b>Total</b>	<b>(1)[●]</b>

**Note:**

(1) Allocated for our Malaysia operations.

Our Group's working capital requirements are expected to increase in line with our business expansion and our growth strategy. We have budgeted our working capital requirements with reference to historical payroll, rental and utility expenses, subject to the fluctuation in prices.

**4.5.7 Defray fees and expenses relating to our IPO and Listing**

The estimated fees and expenses for our IPO and Listing to be borne by us are estimated to be RM[●] million comprising the following:

<b>Description</b>	<b>RM' million</b>
Professional fees	[●]
Fees payable to authorities	[●]
Brokerage, underwriting and placement fees	[●]
Other fees and expenses such as printing, advertising, travel and roadshow expenses, miscellaneous expenses and contingencies	[●]
<b>Total</b>	<b>[●]</b>

If the actual fees and expenses relating to our IPO and Listing exceeds the earmarked amount, the shortfall will be funded out of the portion allocated for our working capital requirements. On the other hand, if the actual fees and expenses are lower than the earmarked amount, the difference will be used to fund our working capital requirements.

The actual proceeds accruing to us will depend on the Institutional Price and the Final Retail Price. If the actual proceeds are higher than budgeted above, the excess will be used to fund our working capital requirements. Conversely, if the actual proceeds are lower than budgeted above, the proceeds allocated for our working capital requirements will be reduced.

Given the timing of the use of proceeds to be raised from our Public Issue may not be immediate and as part of our efficient capital management to maximise profit income, we intend to place the proceeds raised from our Public Issue or any balance (including accrued profit, if any) in the profit-bearing accounts with the licensed financial institution(s), money-market deposit instruments/funds and/or other investment funds.

#### 4. DETAILS OF OUR IPO (Cont'd)

#### 4.6 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

##### 4.6.1 Brokerage fee

We will pay brokerage in respect of our IPO Shares under the Retail Offering at the rate of 1.0% (exclusive of applicable tax) of the Final Retail Price in respect of all successful applications which bear the stamp of either the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

The Lead Bookrunner and Joint Bookrunners are entitled to charge brokerage commission to successful applicants under the Institutional Offering. For the avoidance of doubt, such brokerage commission under the Institutional Offering will not be payable by us.

##### 4.6.2 Underwriting commission

As stipulated in the Retail Underwriting Agreement, the Managing Underwriter and Joint Underwriters have agreed to underwrite our IPO Shares under the Retail Offering for an underwriting commission of up to [●]% (exclusive of applicable tax) of the Retail Price multiplied by the total number of IPO Shares underwritten under the Retail Offering in accordance with the terms of the Retail Underwriting Agreement.

##### 4.6.3 Placement fee

We will pay the Lead Bookrunner and Joint Bookrunners a placement fee of up to [●]% (exclusive of applicable tax) of the Institutional Price multiplied by the number of IPO Shares sold to institutional and selected investors in accordance with the terms of the Placement Agreement.

#### 4.7 DETAILS OF THE UNDERWRITING, PLACEMENT AND LOCK-UP ARRANGEMENTS

##### 4.7.1 Underwriting

We have entered into the Retail Underwriting Agreement with the Managing Underwriter and Joint Underwriters to underwrite 135,327,200 IPO Shares under the Retail Offering, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus and upon the terms and subject to the conditions of the Retail Underwriting Agreement.

Details of the underwriting commission are set out in Section 4.6.2 of this Prospectus, while the salient terms of the Retail Underwriting Agreement are as follows:

[●]

##### 4.7.2 Placement

We expect to enter into the Placement Agreement with the Lead Bookrunner and Joint Bookrunners in relation to the placement of 264,672,800 IPO Shares under the Institutional Offering, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus. We will be requested to give various representations, warranties and undertakings, and to indemnify the Lead Bookrunner and Joint Bookrunners against certain liabilities in connection with our IPO.

##### 4.7.3 Lock-up arrangements

[●]

#### 4. DETAILS OF OUR IPO (Cont'd)

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##### 4.8 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon our Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS, which is operated by Bursa Depository. This will be effected in accordance with the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, we will not deliver share certificates to subscribers or purchasers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain our Shares in CDS accounts, either directly in their names or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective CDS accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

Shares held in CDS accounts may not be withdrawn from the CDS except in the following instances:

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances determined by Bursa Depository from time to time, after consultation with the SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares are required to trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the second Market Day following the transaction date.

It is expected that our Shares will commence trading on Bursa Securities approximately 10 Market Days after the close of the Institutional Offering. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of book-entry transfer to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.