

Response to queries posed at the Second ("2nd") Annual General Meeting ("AGM") of the shareholders of SKYECHIP BERHAD ("SkyeChip" or "Company") convened and held at Amari SPICE Hotel, Jadeite, Level 4, 2, Persiaran Mahsuri, 11900 Bayan Lepas, Pulau Pinang on Monday, 17 August 2026 at 10:00 am.

The queries from shareholders and response from Dato' Fong Swee Kiang, Executive Director & Chief Executive Officer
Teh Chee Hak, Executive Director & Chief Technology Officer
and Mr. Galvin Wong, Finance Director had been edited for
clarity.

Q1 Foo Kean Fong | Shareholder

He enquired whether the Company faces any risks relating to intellectual property ("IP"), confidentiality breaches, or potential copyright infringement claims arising from the recruitment of engineers from multinational corporations ("MNCs"), including Intel and Broadcom. The shareholder further sought clarification on the measures implemented by the Company to mitigate the risk of legal disputes pertaining to proprietary technologies and confidential information previously belonging to such employers.

Answer:

Dato' Fong Swee Kiang ("**Dato' Fong**") explained that the Company recruits talent from various multinational corporations and has established policies and guidelines to ensure compliance with all legal, ethical and professional obligations. Employees are reminded not to bring, use or disclose any confidential information, intellectual property or proprietary materials belonging to their former employers.

He added that the Company emphasises professional conduct, including the proper completion of handover responsibilities prior to an employee's departure from a former employer. The Company also encourages employees to maintain positive professional relationships with their previous employers, as they may become future business partners or customers. These practices help minimise the risk of intellectual property disputes and uphold the Company's commitment to integrity and industry best practices.

Q2 Foo Kean Fong | Shareholder

He raised a question on the Company's patent filings and the status of its IP applications.

Answer:

Mr. Teh Chee Hak explained that patents are an important means of protecting the Company's IP. The Company actively files patent applications annually, with the number of filings increasing from 95 in Financial Year Ended 31 March 2025 ("**FYE2025**") to an expected 113 in Financial Year Ended 31 March 2026 ("**FYE2026**"). He further informed the Meeting that, to date, none of the Company's patent applications had been rejected.

Dato' Fong added that patent filings in key markets, particularly the United States and China, demonstrate the Company's technological innovation and strengthen the protection of its proprietary technologies.

The queries and response had been edited for clarity.

Q3 Foo Kean Fong | Shareholder

He inquired about the key challenges facing the Company and whether such challenges may affect its future growth prospects.

Answer:

Dato' Fong replied that, amid the current AI-driven growth cycle and expanding market opportunities, the Company's key challenges are not competition-related but rather its ability to execute effectively and sustain innovation. He added that the Company remains focused on addressing these challenges to support its continued growth.

Q4 Teoh Xu Ying | Proxy

She enquired on the tax incentives granted by the Malaysian Government and the duration of such incentives.

Answer:

Mr. Galvin replied that the Company was granted Pioneer Status, which provides a 100% tax exemption on statutory income for a period of five years from 10 September 2020 to 9 September 2025 under Section 127(3A) of the Income Tax Act 1967 for the activities of design and development of IC, and sales of IP, software and ASIC,. He further informed that the Company had submitted an application to the Malaysian Investment Development Authority ("**MIDA**") on 9 June 2025 for a further income tax exemption incentive in respect of IC design activities. In addition, the Group's Vietnam subsidiary had been granted a five-year corporate income tax exemption expiring on 31 March 2030 following its recognition as an enterprise operating in the semiconductor sector.

Q5 Teoh Xu Ying | Proxy

She enquired on the Company's strategies to attract and retain engineering talent amid intense competition within the semiconductor industry, particularly for experienced engineers, fresh graduates and new entrants to the workforce.

Answer:

Dato' Fong replied that the Company focuses on providing opportunities for engineers to work on leading-edge technologies, which enhances their professional growth and market competitiveness. In addition, the Company offers competitive remuneration, equity participation and long-term career development opportunities to attract and retain talent.

He added that the Company's successful listing and established track record provide assurance on its long-term sustainability and ability to attract senior engineering talent. For junior engineers and fresh graduates, the Company adopts a different talent development strategy through internship programmes and collaborations with universities, including the sponsorship of final-year projects, to identify promising candidates and prepare them for future employment with the Company. The Company also offers equity participation opportunities to junior employees, supports continuous

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learning and development, and maintains regular engagement with employees to foster a positive and conducive work environment.

Q6 Por Woon Seng | Shareholder

He enquired on the amount of IPO proceeds utilised to date and the progress of utilisation within the stipulated three-year timeframe.

Answer:

Mr. Galvin replied that the utilisation of IPO proceeds is progressing in accordance with the utilisation plan disclosed in the Prospectus. He added that the latest status of the utilisation of IPO proceeds is disclosed on a quarterly basis in the Company's quarterly financial results, and shareholders may refer to the First Quarter FY2027 report for the most recent update.

Q7 Por Woon Seng | Shareholder

He raised a question on whether the Company has a dividend policy.

Answer:

Dato' Fong responded that the Company targets a dividend payout of up to 25% of profit after tax attributable to owners of the Company for each financial year on a consolidated basis, subject to the Group's working capital requirements, capital expenditure, applicable laws, licence conditions, contractual obligations and such other factors as the Board may determine.

Notwithstanding the above, the Group is presently focused on reinvesting its resources to support business expansion and research and development activities. As such, the Company does not expect to declare dividends in the near term. The Board may, however, consider dividend payments in the future once the Group has achieved its growth objectives and reached a more established stage of development, taking into account its financial performance, cash flow position and funding requirements at the relevant time.

Q8 Lim Phaik Shian | Shareholder

She sought clarification on the rationale for maintaining the Company's own data centre.

Answer:

Dato' Fong explained that the Company's core business involves IC design, for which proprietary design databases and IP are critical assets. The Company's data centre supports the operation of Electronic Design Automation ("EDA") tools and enables the secure storage, management and protection of its design data. He added that maintaining an in-house data centre enhances data security, safeguards the Company's IP through controlled access and firewall protection, and supports operational efficiency and self-sufficiency.

The queries and response had been edited for clarity.

Q9 Lim Phaik Shian | Shareholder

She enquired on whether the Company intends to generate revenue from its data centre.

Answer:

Dato' Fong replied that the Company currently has no plans to generate revenue from its data centre. The data centre is maintained primarily to support the Company's operational and engineering activities.

Q10 Lim Phaik Shian | Shareholder

She asked where the Company's data centres are located.

Answer:

Dato' Fong stated that the Company operates dual-site data centres located at its Penang (Suntech) and Puchong, Selangor offices, with critical systems and design environments replicated across the two locations. He explained that the infrastructure is designed to ensure redundancy, data recoverability, backup capabilities and business continuity, while supporting the Company's engineering and development activities.

Q11 Wong Kim Leong | Shareholder

He raised queries regarding the Company's Long-Term Incentive Plan ("LTIP"), including the role of the LTIP Committee, the eligibility of participants, the basis for the grant of LTIP awards, and the differences between the Employee Share Option Scheme ("ESOS") and Employee Share Issuance Scheme ("ESIS").

Answer:

Dato' Fong explained that the LTIP is intended to align employees' interests with the long-term growth and success of the Company through equity-based incentives, without imposing significant cash obligations on the Company.

Mr. Galvin further explained that under the ESOS, eligible participants are granted share options at a specified exercise price, while under the ESIS, participants are awarded ordinary shares without any payment. He informed that the Company had granted 61,755,000 ESOS options at an exercise price of RM0.88 per share, and that no shares had been awarded under the ESIS to date. He added that any future awards under the LTIP would be implemented in compliance with Bursa Malaysia Securities Berhad's requirements and subject to the approval of the LTIP Committee, with the exercise price determined in accordance with the prescribed pricing methodology.

Q12 Wong Kim Leong | Shareholder

He raised concern as to whether the LTIP or ESOS could incentivize Executive Directors to focus on increasing the Company's share price.

The queries and response had been edited for clarity.

Answer:

Dato' Fong explained that the Company's Executive Directors are currently not participating in the ESOS and continue to hold only their existing shareholdings. He further emphasised that the Company's share option scheme is designed to align employees' interests with the long-term growth and success of the Company.

Q13 Wong Kim Leong | Shareholder

He sought clarification on the different employee shareholding vehicles established by the Company, including the rationale for having separate groups of employees holding shares under different arrangements. He also enquired about the treatment of such shares should participating employees leave the Company.

Answer:

Dato' Fong explained that the employee shareholding vehicles were established at different stages of the Company's growth to enable employees to participate in the Company's equity ownership. The various employee shareholding vehicles reflected different admission periods and share allocation arrangements implemented over time.

He further explained that these arrangements were intended to promote long-term employee retention and align employees' interests with the Company's growth. The shares are held under structured arrangements with specified vesting and holding conditions.

Q14 Bill Ng Eng Tiong | Proxy

He expressed support for the Company's growth and enquired on the strength of its management, legal and compliance functions. He also sought the Company's views on enhancing its internal legal capabilities, succession planning and talent management, particularly in relation to senior engineering personnel.

Answer:

Dato' Fong shared that Management continually reviews the Company's organisational capabilities and areas for improvement. Given the specialised nature of the semiconductor and silicon design industry, legal expertise in this field is limited within the region. As such, the Company currently engages reputable external legal firms to advise on contractual, IP and other legal matters, while continuing to assess the need for in-house legal resources as the business grows.

He further explained that the Company also leverages the expertise and guidance of its industry advisors, institutional investors and Board members in supporting its growth strategy and corporate development initiatives.

With regard to the finance function, he noted that the Company currently operates a relatively straightforward business model and customer base, and that the existing finance team, together with the Company's external auditors and tax advisors, is

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adequate to support its current operational requirements. The Company will continue to strengthen its management team as its operations expand.

Q15 Bill Ng Eng Tiong | Proxy

He asked about the key challenges faced by the Company's Chief Operating Officer, Mr. Chong Lai Hock, in transitioning from Intel to SkyeChip following his appointment in 2024.

Answer:

Dato' Fong shared that the Company's Chief Operating Officer ("COO") possesses extensive industry experience in IC design. He explained that such exposure provides valuable experience in managing the Group's IC design operations.

He further noted that one of the key challenges in moving from a multinational corporation to a fast-growing technology company is adapting to a broader scope of responsibilities. While responsibilities in large organisations are often highly specialised, employees at SkyeChip are generally expected to possess broader technical capabilities and contribute across multiple areas. Accordingly, the Company seeks to recruit and develop engineers with diverse skill sets to support its growth and competitiveness.

Q16 Bill Ng Eng Tiong | Proxy

He referred to the Company's definitive agreement with the Malaysian Investment Development Authority ("MIDA") for access to the Arm Compute Subsystem ("CSS") token and the ARM Limited's ("ARM") Flexible Access ("AFA") Token. He sought further information on the nature of the collaboration with ARM and the potential long-term benefits and opportunities arising from the partnership.

Answer:

Mr. Teh Chee Hak explained that the Company's collaboration with ARM provides access to ARM's IP and technology ecosystem, supporting the Company's product development activities. He added that the partnership enables the Company to work closely with ARM in delivering solutions that leverage Arm-based technologies and strengthens the long-term relationship between the parties.

Dato' Fong added that the Company seeks to collaborate with leading technology partners that possess unique technological capabilities and can create mutual value. He noted that details of certain projects and customer engagements are subject to confidentiality obligations and therefore cannot be disclosed.

Note:

"SkyeChip" or **"the Company"** refers to SkyeChip Berhad

"SkyeChip Group" or **"the Group"** refers to **SkyeChip** and its subsidiaries, collectively