

**PRESS RELEASE**

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**Penang Officially Launched “Penang Silicon Design @5km+” Initiative - Elevating Malaysia’s Position in the Global IC Design and AI Landscape**

**PENANG, 7 DEC 2024 – Prime Minister YAB Dato’ Seri Utama Anwar bin Ibrahim, alongside Penang Chief Minister YAB Mr. Chow Kon Yeow, today officially launched the “Penang Silicon Design @5km+” initiative. The event also marked the opening of GBS TechSpace as the Silicon Research & Incubation Space. During the ceremony, the Prime Minister recognised the Memorandums of Understanding (MoUs) signed between InvestPenang and key technology collaborators and the incentive recipients. Additionally, Penang unveiled the new global companies of the Penang IC Design & Digital Park.**

Spearheaded by the Penang State Government through its lead agency, InvestPenang, the “Penang Silicon Design @5km+” initiative is set to revolutionise Malaysia’s semiconductor industry and is fully aligned with the National Semiconductor Strategy (NSS). This groundbreaking initiative marks a pivotal leap into the front-end of semiconductor value chain, accelerates the AI revolution, driving the nation to the forefront of global technology innovation.

This ambitious initiative offers a comprehensive IC design ecosystem, comprising three key components: (1) the Penang IC Design & Digital Park @Bayan Lepas, developed by Penang Development Corporation (PDC) which offers approximately 1 million square feet of premium hybrid office and lab space tailored for IC design, research and development (R&D), and digital companies; (2) the Penang Chip Design Academy @Penang Skills Development Centre (PSDC), which provides a comprehensive Chip Design Talent Cultivation Program aimed at upskilling and reskilling at least 500 fresh graduates and engineers in IC design-related fields in the next 2 years; and (3) the Silicon Research and Incubation Space @GBS TechSpace, tailored as a one-stop innovation hub to support chip design companies by providing workspaces featuring cutting-edge infrastructure, design services, essential Electronic Design Automation (EDA) Tools, intellectual property (IP) provider, and expertise in packaging and major technical disciplines for New Product Introduction (NPI) preparation, supported by InvestPenang’s technology collaborations within the 5km+ ecosystem. This one-stop innovation center, positioned to drive growth and foster collaboration within the industry; and is set to become fully operational by the end of April 2025.

To enable the end-to-end design processes, InvestPenang signed Memorandums of Understanding (MoUs) with technology collaborators, specifically Cadence, Siemens and Synopsys for EDA Tools; SilTerra, University Science Malaysia, CEDEC for Multi-Project Wafer (MPW) services; Globetronics and Inari Amertron for packaging solutions. Furthermore, Aemulus, Experior, Emerson NI and Keysight Technologies will provide post-silicon validation and support for NPI readiness, while the government agencies - Cradle, CREST, and MIMOS will offer technical expertise and resources. These collaborations are extended to AI-driven tools and technologies, amplifying the “Penang Silicon Design @5km+” initiative’s role in driving the AI revolution in Malaysia.

The Penang State Government has allocated RM60 million to drive this initiative, offering up to RM2 million annually in incentives per eligible company. These comprehensive incentives cover subsidies for space and utilities at GBS TechSpace, access to technology collaborators' facilities, and a talent development program through the Penang Chip Design Academy. The initiative has also garnered strong support from the federal government, with the Ministry of Economy approving initial funding for 2024.

Penang is committed to developing local firms within semiconductor design space. Five local companies were selected as the inaugural occupants of the Silicon Research & Incubation Space at GBS TechSpace. These include local startups—Filpal, Infinecs Lab, and Silicon X, and expanding companies—SkyeChip and Sophic Automation. These firms will benefit from the newly announced incentive packages, reinforcing Penang's commitment to support the new and growing IC design companies, in alignment the NSS's target to build 10 Malaysian companies in Design and Packaging.

Today's ceremony also served to announce the establishment of five global giants - Alchip, AMD Global Services, Celestica, Microsoft, and Monolithic Power Systems at the Penang IC Design & Digital Park to house their new IC design and R&D operations. The presence of these industry leaders is expected to drive significant spillover effects to local start-ups, fostering knowledge transfer and sparking innovation across the sector.

With these new setups, Penang now proudly hosts over 40 IC design-related local and foreign companies, emerging as Malaysia's IC design hub with the biggest clusters of IC design-related companies in the country. The Penang government expressed its gratitude to the Ministry of Investment, Trade and Industry for their ongoing collaboration in attracting high-value projects to the state, further strengthening Penang's position in the semiconductor industry.

"The launch of the Penang Silicon Design @5km+ initiative is a strategic move to strengthen Penang's leadership in the IC design industry. With its integrated ecosystem within the vibrant 5km+ area, the *"Penang Silicon Design @5km+"* initiative offers a unique value proposition, benchmarking itself to IC design hubs in Silicon Valley in San Jose, USA, and Taiwan. Through this initiative, Penang is positioning itself at the intersection of IC design and AI, setting the stage for the next phase of technological evolution in Malaysia and the Southeast Asia region," said YAB Mr. Chow Kon Yeow, Chief Minister of Penang.

The event also showcased cutting-edge technologies and solutions from InvestPenang's key technology collaborators and was attended by over 500 participants. Among them were distinguished guests such as YB Senator Datuk Seri Utama Tengku Zafrul bin Tengku Abdul Aziz, Minister of Investment, Trade and Industry (MITI); YB Senator Datuk Seri Amir Hamzah bin Azizan, Minister of Finance II; YB Tuan Steven Sim Chee Keong, Minister of Human Resources; YB Puan Lim Hui Ying, Deputy Minister of Finance; as well as representatives from government agencies, semiconductor, digital and IC design companies in Penang, and academic institutions. This occasion emphasised the strong collaboration between the public and private sectors, further cementing Penang's position as a global leader in IC design, AI innovation, while solidifying its reputation as the "Silicon Valley of the East." It also reinforced Malaysia's unique position as the only Southeast Asian nation with an integrated semiconductor ecosystem.

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### **About InvestPenang**

InvestPenang is the Penang State Government's principal agency for the promotion of investment. Its objectives are to develop and sustain Penang's economy by enhancing and continuously supporting business activities in the State through foreign and local investments, including spawning viable new growth centers. To realise its objectives, InvestPenang also runs initiatives like the SMART Penang Center (providing assistance to SMEs), Penang CAT Center (for talent attraction and retention), and Global Business Services (GBS) Focus Group (promoting and developing digital economy). For more information, please visit <https://investpenang.gov.my/> and follow InvestPenang's social media channels: [Facebook](#); [LinkedIn](#); [WhatsApp Channel](#); [TikTok](#).

### **About "Penang Silicon Design @5km+" Initiative**

The "Penang Silicon Design @5km+" initiative was launched by Penang State Government, through its lead agency, InvestPenang. Aligning with National Semiconductor Strategy, this initiative is a transformative collaboration between government, academia and industry, aims to drive innovation, accelerate the AI revolution and position Malaysia as a leading global force to provide a complete and end-to-end solution. The "Penang Silicon Design @5km+" initiative consists of three key components: (1) Penang IC Design & Digital Park @Bayan Lepas; (2) Penang Chip Design Academy @PSDC; and (3) Silicon Research & Incubation Space @GBS TechSpace. For more information, please visit <https://investpenang.gov.my/>.

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#### **"Penang Silicon Design @5km+" Initiative**

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