

KEY ASIC BHD
(Company No. 707082-M)
Condensed Consolidated Income Statements
For The 3rd Quarter Ended 30 September 2009
(The figures have not been audited)

	Note	Current Qtr Ended 30/09/2009 RM'000	Current Qtr Ended 30/09/2008 RM'000	Cumulative YTD 30/09/2009 RM'000	Cumulative YTD 30/09/2008 RM'000
Revenue		21,356	27,772	54,195	84,917
Cost of sales		(12,054)	(20,366)	(29,560)	(62,267)
Gross profits		9,302	7,406	24,635	22,650
Other income		416	1,719	2,012	2,832
Administrative expenses		(311)	(186)	(1,439)	(647)
Selling and distribution expenses		-	(9)	(45)	(11)
Research and development expenses		(4,250)	(2,366)	(12,695)	(4,996)
Profit before tax		5,157	6,564	12,468	19,828
Income tax expense	20	(28)	(199)	(274)	(513)
Profit for the period		5,129	6,365	12,194	19,315
Basic earning per share (sen)	28	0.64	0.79	1.51	2.45
Diluted earning per share (sen)	28	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes enclosed to the interim financial statements.

KEY ASIC BHD
(Company No. 707082-M)
Condensed Consolidated Balance Sheet
As at 30 September 2009
(The figures have not been audited)

	Unaudited As At 30/09/2009 RM'000	Audited As At 31/12/2008 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	3,203	1,963
Intangible assets	60,940	58,097
Deferred tax assets	186	186
Deferred expenditure		-
	<u>64,329</u>	<u>60,246</u>
Current assets		
Trade receivables	50,656	37,399
Other receivables	2,384	3,082
Inventories	-	341
Cash and cash equivalents	83,583	91,461
	<u>136,623</u>	<u>132,283</u>
	<u>200,952</u>	<u>192,529</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	80,500	80,500
Share premium	54,887	54,887
Retained earnings	48,135	35,941
	<u>183,522</u>	<u>171,328</u>
Total Equity		
Non-current liabilities		
Deferred tax liabilities	15	15
	<u>15</u>	<u>15</u>
Current liabilities		
Trade payables	15,464	19,243
Other payables	(189)	201
Government grant	300	900
Amount owing to related company	1,731	573
Tax payables	109	269
	<u>17,415</u>	<u>21,186</u>
	<u>17,430</u>	<u>21,201</u>
Total liabilities		
TOTAL EQUITY AND LIABILITIES		
	<u>200,952</u>	<u>192,529</u>
Net Assets Per Share Attributable to Equity of Parent (RM)	0.2280	0.2128

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes enclosed to the interim financial statements.

KEY ASIC BHD
(Company No. 707082-M)
 Condensed Consolidated Cash Flow Statements
 For The 3rd Quarter Ended 30 September 2009
 (The figures have not been audited)

	9 Months Ended 30/09/2009 RM'000	9 Months Ended 30/09/2008 RM'000
Net Cash Flows From Operating Activities	(7,722)	6,163
Net Cash Flows From Investing Activities	(156)	(13,913)
Net Cash Flows From Financing Activities	-	75,139
Net Change in Cash & Cash Equivalents	(7,878)	67,389
Cash & Cash Equivalents at Beginning of Financial Period	91,461	22,843
Cash & Cash Equivalents at End of Financial Period	83,583	90,232

Cash and cash equivalents at the end of financial period comprise the following:

Cash and bank balances	6,517	4,270
Fixed deposits	77,066	85,962
	83,583	90,232

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes enclosed to the interim financial statements.

KEY ASIC BHD
(Company No. 707082-M)
Condensed Consolidated Statements of Changes in Equity
For The 3rd Quarter Ended 30 September 2009
(The figures have not been audited)

	<----- Attributable to Equity Holders of the Parent ----->				Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	<--- Non Distributable ---> Share Premium RM'000	Other Reserves RM'000	Distributable Retained Earnings RM'000		
At 1 January 2009	80,500	54,887	-	35,941	-	171,328
Profit for the period	-	-	-	12,194	-	12,194
Total recognised income and expense for the period	-	-	-	12,194	-	12,194
At 30 September 2009	80,500	54,887	-	48,135	-	183,522
At 1 January 2008	60,300	-	-	16,227	-	76,527
Profit for the period	-	-	-	19,315	-	19,315
Total recognised income and expense for the period	-	-	-	19,315	-	19,315
Issuance of shares	20,200	54,939	-	-	-	75,139
At 30 September 2008	80,500	54,939	-	35,542	-	170,981

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes enclosed to the interim financial statements.

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Part A - Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The interim financial statements of the Group are prepared under the historical cost convention. The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 : Interim Financial Reporting and in accordance to the requirements of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2008.

The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the most recent annual financial statements.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2008 was not qualified.

3. Segmental Information

Business segments

	Current Qtr Ended 30/09/2009 RM'000	Comparative Qtr Ended 30/09/2008 RM'000	Cumulative YTD 30/09/2009 RM'000	Cumulative YTD 30/09/2008 RM'000
Segment Revenue				
Revenue-Recurring Engineering	14,575	23,909	14,865	68,738
Revenue-Non-Recurring Engineering (NRE)	6,781	3,863	39,330	16,179
Total revenue including inter-segment sales	21,356	27,772	54,195	84,917
Elimination of inter-segment sales	-	-	-	-
Total revenue	21,356	27,772	54,195	84,917
Segment PBT				
PBT-Recurring Engineering	1,756	3,024	5,224	6,065
PBT-Non-Recurring Engineering	2,985	1,821	5,232	10,931
Total PBT including inter-segment PBT	4,741	4,845	10,456	16,996
Elimination of inter-segment PBT				
Other income	416	1,719	2,012	2,832
Total PBT	5,157	6,564	12,468	19,828

4. Unusual Items due to their Nature, Size or Event

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 30 September 2009.

5. Changes in Estimates

There were no changes in accounting estimates made that would materially affect the accounts of the Group for the quarter ended 30 September 2009.

6. Seasonal or Cyclical Factors

The interim operations of the Group were not affected by any significant seasonal or cyclical factors during the quarter under review.

7. Dividends Paid

There were no dividends paid during the quarter under review.

8. Valuation of Property, Plant and Equipment

Property, plant and equipment of the Group were not revalued during the quarter under review.

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9. Debt And Equity Securities

There were no issuance, cancellation, resale and repayment of debt and equity securities for the current quarter under review.

10. Changes in Composition of the Company

There has been no change in the composition of the Group during the interim period under review.

11. Discontinued Operation

There were no discontinued operations within the activities of the Group for the quarter under review.

12. Capital Commitments

There were no capital commitments for the purchase of any property, plant and equipment or any other expenses that were not accounted for in the financial statements of the current quarter under review.

13. Changes in Contingent Liabilities and Contingent Assets

There were no changes in any contingent liabilities or assets of the Group in the quarter under review.

14. Subsequent Material Events

The Company had on 18 August 2009 entered into a Sale and Purchase Agreement with Macronix International Co. Ltd ("MXIC") to acquire 14,626,303 common shares of TWD10.00 each representing 89.81% of the issued and paid-up share capital of Gateway Silicon Inc. ("GSI") for a total consideration of TWD150,976,288 (ie approximately RM16,199,756). On 24 September 2009, the company had acquired the remaining shares in GSI and thus GSI will be a wholly-owned subsidiary of the company.

Additional Information As Per Main Market Listing Requirements of Bursa Malaysia Securities Berhad

15. Review Of Performance

During the current quarter under review, the Group has recorded a profit before taxation of RM5.13 million on the back of revenue of RM21.36 million. The revenue were lower as compared to previous corresponding quarter in 2008 mainly due to anticipated low shipments of wafers which is a direct impact of the global financial crisis that has eroded the consumer confidence.

16. Material Change In the Profit Before Taxation Compared To The Immediate Preceding Quarter

	Current Qtr Ended 30/09/2009 RM'000	Comparative Qtr Ended 30/06/2009 RM'000	% Changes
Turnover	21,356	23,394	-8.7%
Profit Before Taxation ("PBT")	5,157	5,009	3.0%

The Group recorded a revenue of RM21.36 million and PBT of RM5.16 million in the current quarter as compared to a revenue of RM23.39 million and PBT of RM5 million in the immediate preceding quarter. This represents a decrease in revenue of approximately 8.7% and an increase in PBT of 3% respectively as compared to preceding quarter. The increase in the PBT was mainly due to higher Recurring Engineering revenue being recorded.

17. Commentary Of Prospects

The worldwide sales of semiconductors for the second quarter of 2009 were reported as US\$51.7 billion, a 17% increase from the first quarter when sales were US\$44.2 billion as published by Semiconductor Industry Association on 3rd of August 2009. Although the increase is encouraging, the worldwide sales of semiconductors forecast for the full year of 2009 is still lagging behind the 2008 but better than what being perceived in the early part of the year.

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In this challenging business environment, the Board of Directors of Key ASIC ("Board") is of the opinion that the Group's performance would be subjected to the level of consumer confidence in the face of the current crisis and demand by consumers for our end customers' products.

18. Profit Forecast and Profit Guarantee

The Company did not announce any profit guarantee to date.

19. Taxation

The company has been awarded MSC Status and was granted pioneer status, which exempts 100% of the statutory business income from taxation for a period of 5 years commencing from its effective date on 14 April 2006. The taxation provided in the financial statements were for the interest income derived from placement of fixed deposits with licenced financial institutions.

The tax expense for the current quarter ended 30 September 2009 is derived based on management's best estimate of the tax rate for the financial period. The effective tax rate of the Group for the financial period was lower than the statutory tax rate mainly due to certain income that were exempted from taxation.

20. Unquoted Investments / Properties

There were no purchase or sales of unquoted investments or properties during the current interim period under review and financial year to date.

21. Purchase or Disposal of Quoted Securities

There were no purchase or disposal of quoted securities during the current interim period under review and financial year to date.

22. Corporate Proposal

(i) Proposed issuance of up to 142,000,000 ordinary shares of RM0.10 each in the company representing approximately 15% of the enlarged issued and paid-up share capital of the company to facilitate the proposed sponsorship of a depository receipt programme in Taiwan by Key ASIC

(ii) Status of Utilisation of Proceeds as at 30 September 2009

Description	Timeframe for utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000
IPO Proceeds				
R&D-Capital expenditure	Within 24 months of Listing	36,000	(24,293)	11,707
R&D-Operating expenditure	Within 24 months of Listing	8,200	(8,200)	-
Working capital	Within 12 months of Listing	33,300	(33,300)	-
Estimated listing expenses	Within 6 months of Listing	3,300	(3,300)	-
		<u>80,800</u>	<u>(69,093)</u>	<u>11,707</u>

The unutilised proceeds raised from the IPO were placed in interest-bearing accounts with licenced financial institutions in Malaysia until it is fully utilised.

23. Group Borrowings and Debt Securities

The Group does not have any borrowing or issued any debt securities as at 30 September 2009.

24. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

25. Material Litigation

There was no pending material litigation from 1 January 2009 up to the date of this quarterly announcement.

26. Dividends Payable

The Board of Directors does not recommend any interim dividends for the current quarter ended 30 September 2009.

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27. Earnings Per Share

The earnings per share for the quarter and cumulative year to date are computed as follow:

	<u>Individual Quarter Ended</u>		<u>Cumulative YTD</u>	
	<u>30-Sep-09</u>	<u>30-Sep-08</u>	<u>30-Sep-09</u>	<u>30-Sep-08</u>
Profit After Taxation & Minority Interest (RM'000)	5,129	6,365	12,194	19,315
Weighted average number of ordinary shares in issue ('000)	805,000	805,000	805,000	787,307
Basic Earnings Per Share (Sen)	0.64	0.79	1.51	2.45
Diluted Earnings Per Share (Sen) *	N/A	N/A	N/A	N/A

Note :

* Not applicable as the Company does not have any convertible securities for the current financial quarter and financial year to date.

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 November 2009.