

**KEY ASIC BHD**  
**(Company No. 707082-M)**  
Condensed Consolidated Statements Of Comprehensive Income  
For The Period Ended 28 February 2021

	Note	Unaudited Current Qtr Ended 28/02/2021 RM'000	Unaudited Comparative Qtr Ended 29/02/2020 RM'000	Unaudited Cumulative YTD 28/02/2021 RM'000	Unaudited Cumulative YTD 29/02/2020 RM'000
Revenue		2,978	2,390	11,395	8,140
Cost of sales		(2,350)	(1,879)	(8,611)	(6,143)
<b>Gross profits</b>		<u>628</u>	<u>511</u>	<u>2,784</u>	<u>1,997</u>
Other income		30	30	2,064	70
<b>Total Income</b>		3,008	2,420	13,459	8,210
<b>Expenses</b>					
Administrative expenses		(659)	(591)	(2,353)	(2,151)
Selling and distribution expenses		(357)	(289)	(1,119)	(1,143)
Research and development expenses		(921)	(826)	(2,781)	(2,684)
<b>Profit/(Loss) From Operations</b>		<u>(1,279)</u>	<u>(1,165)</u>	<u>(1,405)</u>	<u>(3,911)</u>
Depreciation		(144)	(47)	(441)	(127)
Amortisation of Intangible Assets		(315)	(311)	(946)	(932)
<b>Profit/(Loss) Before Interest, Taxes, Impairment and ESOS Expense</b>		<u>(1,738)</u>	<u>(1,523)</u>	<u>(2,792)</u>	<u>(4,970)</u>
ESOS Expenses		(55)	-	(3,011)	-
<b>Profit/(Loss) Before Interest, Taxes, and Impairment less ESOS Expense</b>		<u>(1,793)</u>	<u>(1,523)</u>	<u>(5,803)</u>	<u>(4,970)</u>
Impairment on trade receivables		-	(509)	-	(509)
<b>Profit/(Loss) before tax</b>		<u>(1,793)</u>	<u>(2,032)</u>	<u>(5,803)</u>	<u>(5,479)</u>
Profit/(Loss) before tax is stated after charging/(crediting):-					
Interest income		(19)	(4)	(44)	(21)
Depreciation and amortisation		459	358	1,387	1,059
Impairment on trade receivables		-	509	-	509
Reversal of impairment loss on trade receivables		-	-	(2,006)	-
ESOS expenses		55	-	3,011	-
Foreign exchange gain or loss		211	(1)	341	101
Income tax expense	19	-	-	(3)	-
<b>Profit/(Loss) for the period</b>		<u>(1,793)</u>	<u>(2,032)</u>	<u>(5,806)</u>	<u>(5,479)</u>
Foreign currency translation		46	(24)	(28)	(1,248)
<b>Total Comprehensive Profit/(Loss)</b>		<u>(1,747)</u>	<u>(2,056)</u>	<u>(5,834)</u>	<u>(6,727)</u>
Profit attributable to:					
Equity holders of the Company		<u>(1,793)</u>	<u>(2,032)</u>	<u>(5,806)</u>	<u>(5,479)</u>
Total comprehensive profit attributable to:					
Equity holders of the Company		<u>(1,747)</u>	<u>(2,056)</u>	<u>(5,834)</u>	<u>(6,727)</u>
Basic earning per share (sen)	28	(0.15)	(0.21)	(0.49)	(0.58)
Diluted earning per share (sen)	28	(0.15)	(0.21)	(0.49)	(0.58)

**The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2020 and the accompanying explanatory notes enclosed to the interim financial statements.**

**KEY ASIC BHD**  
**(Company No. 707082-M)**  
Condensed Consolidated Statements Of Financial Position  
For The Period Ended 28 February 2021

	<b>Unaudited As At 28/02/2021 RM'000</b>	<b>Audited As At 31/05/2020 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	763	662
Intangible assets	14,854	15,800
Right of used asset	789	1,159
	<u>16,406</u>	<u>17,621</u>
<b>Current assets</b>		
Trade and other receivables	3,110	2,176
Inventories	2,252	842
Cash and cash equivalents	11,489	8,593
	<u>16,851</u>	<u>11,611</u>
	<u>33,257</u>	<u>29,232</u>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	44,032	35,351
Accumulated profit / (loss)	(21,967)	(16,161)
ESOS reserve	3,233	1,590
Other reserve	(475)	(447)
	<u>24,823</u>	<u>20,333</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	-	6
	<u>-</u>	<u>6</u>
<b>Current liabilities</b>		
Trade and other payables	7,436	7,698
Tax liabilities	188	18
Lease Liabilities - ROUA	810	1,177
	<u>8,434</u>	<u>8,893</u>
	<u>8,434</u>	<u>8,899</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		
	<u>33,257</u>	<u>29,232</u>
Net Assets Per Share Attributable to Equity of Parent (RM)	0.0211	0.0192

**The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2020 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 Period Ended 28 February 2021

	<b>Unaudited 9 Months Ended 28/02/2021 RM'000</b>	<b>Audited 12 Months Ended 31/05/2020 RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit/(Loss) before taxation	(5,803)	(18,708)
Adjustments for:		
Amortisation of intangible assets	946	1,250
Depreciation of Right of used assets	260	462
Depreciation of property, plant and equipment	181	188
Foreign exchange translation	(28)	(496)
Impairment on Trade Receivables		
Exceptional items:		
Impairment loss on intangible assets		59
Inventories written off	-	10,047
Impairment loss on trade receivables	-	-
Deposit forfeited	-	31
Other receivables written off	-	-
Reversal of impairment loss on trade receivables	(2,006)	-
Share option expenses		
Written off of prepayment		
ESOS expenses	3,011	1,694
Interest Expense	-	35
Interest income	(44)	(21)
Operating profit/(loss) before working capital changes	(3,483)	(5,459)
Changes in working capital:-		
(Increase) / Decrease in inventories	(1,410)	105
(Increase) / Decrease in receivables	1,072	(339)
Increase/(Decrease) in payables	(262)	349
Cash used in operations	(4,083)	(5,344)
Interest received	44	22
Tax refund / (paid)	161	-
Net cash flow used in operating activities	(3,878)	(5,322)
<b>Cash Flow From Investing Activities</b>		
Purchase of property, plant & equipment	(282)	(206)
Purchase of intangible assets	-	(55)
Net cash used in investing activities	(282)	(261)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares		
- private placement	4,793	5,007
- pursuant to exercise of ESOS	2,531	228
Repayment of Lease Liabilities	(268)	(458)
Advances from a director	-	303
Net cash used in financing activities	7,056	5,080
<b>Net decrease in cash and cash equivalents</b>	2,896	(503)
<b>Effects of changes in exchange rates</b>	-	19
<b>Cash and cash equivalents as at 1 June</b>	8,593	9,077
<b>Cash and cash equivalents as at end of the financial period</b>	11,489	8,593

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2020 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 Period Ended 28 February 2021  
(The figures have not been audited)

	<----- Attributable to Equity Holders of the Parent ----->					Non-Controlling Interest	Total Equity
	Share Capital	----- Non Distributable -----		(Accumulated Loss	Total		
	RM'000	ESOS Reserves RM'000	Other Reserves RM'000	RM'000	RM'000		
<b>At 1 June 2020</b>	35,351	1,590	(447)	(16,161)	20,333	-	20,333
Total Comprehensive Profit/(Loss)		-	(28)	(5,806)	(5,834)	-	(5,834)
Issuance of shares					-		-
- Private placement	4,793				4,793		4,793
- pursuant to exercise of ESOS	3,888	(1,357)			2,531		2,531
Share option granted under ESOS		3,011	-		3,011		3,011
Lapsed share options		(11)			(11)		(11)
<b>At 28 February 2021 (Unaudited)</b>	<b>44,032</b>	<b>3,233</b>	<b>(475)</b>	<b>(21,967)</b>	<b>24,823</b>	<b>-</b>	<b>24,823</b>

**The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2020 and the accompanying explanatory notes enclosed to the interim financial statements.**

**KEY ASIC BHD**  
**(Company No. 707082-M)**

**Part A - Explanatory Notes Pursuant to FRS 134**

**1. Basis of Preparation**

The quarterly financial report ended 28 February 2021 is unaudited and has been prepared in accordance with Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the Main Market.

The report should be read in conjunction with the audited financial statements of the Group for the year ended 31 May 2020. The explanatory notes attached to the quarterly financial report provide an explanation on events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2020.

The accounting policies and methods of computation adopted by the Group in the quarterly financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 May 2020, except for the adoption of new/revised MFRSs that are effective 1 June 2020. These new/revised MFRSs are not expected to have significant impact on the financial position or results.

**2. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 31 May 2020 was not qualified.

**3. Segmental Information**

<b>Business Segments</b>	<b>Non-recurring engineering services RM'000</b>	<b>Recurring engineering services RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Current Quarter ended 28 February 2021</b>				
<b>Segment Revenue</b>				
Sales	716	2,450	(188)	2,978
<b>Segment LBT</b>				
Profit/(Loss) before tax	(2,270)	457	(10)	(1,823)
Other income				30
Profit before tax				<u>(1,793)</u>
Depreciation	94	50	-	144
Non cash expenses other than depreciation	315	-	-	315
	<b>Non-recurring engineering services RM'000</b>	<b>Recurring engineering services RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Cumulative YTD ended 28 February 2021</b>				
<b>Segment Revenue</b>				
Sales	968	10,811	(384)	11,395
<b>Segment LBT</b>				
Profit/(Loss) before tax	(10,109)	2,250	(8)	(7,867)
Other income				2,064
Profit before tax				<u>(5,803)</u>
Depreciation	269	172	-	441
Non cash expenses other than depreciation	946	-	-	946
Segment assets	34,649	866	(2,258)	33,257
Segment liabilities	8,776	1,543	(1,885)	8,434
Capital expenditure	248	34		282
	<b>Total Revenue</b>		<b>Total PBT/(LBT)</b>	
	<b>Qtr Ended</b>		<b>Qtr Ended</b>	
	<b>28/02/2021</b>	<b>29/02/2020</b>	<b>28/02/2021</b>	<b>29/02/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysia	-	117	(1,764)	(1,876)
Taiwan	2,978	2,273	(29)	(156)
	<u>2,978</u>	<u>2,390</u>	<u>(1,793)</u>	<u>(2,032)</u>

**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 28 February 2021.

**KEY ASIC BHD**  
**(Company No. 707082-M)**

**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 28 February 2021.

**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.

**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 for the quarter 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**

There were no material events subsequent to the end of the reporting quarter that have not been reflected in the quarter under review.

**Additional Information As Per Main Market Listing Requirements**

**15. Review Of Performance**

During the current quarter under review, the Group has recorded a loss before tax of RM1.79 million on the back of revenue of RM2.98 million largely due to the foundries unable to manufacture the chips required.

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

	<b>Current Qtr Ended 28/02/2021 RM'000</b>	<b>Preceding Qtr Ended 30/11/2020 RM'000</b>	<b>% Changes</b>
Turnover	2,978	4,027	-26.0%
Profit/(Loss) Before Taxation	(1,793)	(2,874)	-37.6%

The Group recorded a revenue of RM2.98 million and LBT of RM1.79 million in the current quarter as compared to a revenue of RM4.03 million and LBT of RM2.87 million in the immediate preceding quarter. This represents a decrease in revenue of approximately 26% and a decrease in LBT of 37.6% respectively as compared to preceding quarter.

**KEY ASIC BHD**  
**(Company No. 707082-M)**

**17. Commentary Of Prospects**

The backlog of orders remains strong and the Group is working aggressively with the foundry partners to manufacture and ship more chips in the coming quarters.

The demand of design and chips from China is strong due to lock down in many other countries and the Group is currently working on IP and technology licensing deals.

The Group is currently developing Internet of Medical Things (IOMT) Wi-Fi Blood Pressure Monitor, Wi-Fi ECG and Wi-Fi Oximeter based on its IOT chip SPG101 and the Group expects to deploy these devices upon completion of the approval by FDA, CE and the relevant authority.

Due to the unpredictability of the COVID-19 pandemic where USA and European countries remain to have high number of cases, the Group has now shifted its focus to develop the China market where movement is not restricted and economy is vibrant. The Group expects to have some breakthroughs in the next few quarters.

The technology and design IP licensing current projects are progressing well. There are many fabs going through the upgrade and expansion in the past five years and there are 33 new fabs being built in the past two years. The Group is currently engaged in several similar projects in Asia and Europe in the early stage.

**18. Profit Forecast and Profit Guarantee**

The Company did not announce any profit guarantee to date.

**19. Taxation**

The tax expenses for the period ending 28 February 2021 consist of the following :

Current tax expenses	<b>RM'000</b>
Deferred tax expenses	(3)
	<u><u>(3)</u></u>

**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**

The Company had obtained the shareholders' approval for a private placement exercise to issue up to 255,524,400 new ordinary shares in the Company representing not more than twenty percent (20%) of the issued share capital of the company ("Private Placement").

As at the date of this report, no new ordinary shares were issued pursuant to the Private Placement and were subsequently listed and quoted on the Main Market of Bursa Securities Berhad.

**23. Group Borrowings and Debt Securities**

The Group does not have any borrowing or issued any debt securities as at 28 February 2021.

**24. Off Balance Sheet Financial Instruments**

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

**KEY ASIC BHD**  
**(Company No. 707082-M)**

**25. Material Litigation**

There was no pending material litigation from 1 June 2020 up to the date of this quarterly announcement.

**26. Realised and Unrealised Profits/Losses**

On 25 March 2010, Bursa Securities issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format period.

The breakdown of accumulated losses of the Group as at the reporting date, into realised and unrealised losses, pursuant to the directive, is as follows:

	<b>Group 28/02/2021 RM'000</b>	<b>Group 30/11/2020 RM'000</b>
Total accumulated losses of Key ASIC Berhad and its subsidiaries:		
- Realised	(22,141)	(20,134)
- Unrealised - in respect of other items of income and expense	174	(40)
Total Group accumulated losses as per consolidated accounts	<u>(21,967)</u>	<u>(20,174)</u>

The determination of realised and unrealised profits or losses is based on the Guidedance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

**27. Dividends Payable**

The Board of Directors does not recommend any interim dividends for the current quarter ended 28 February 2021.

**28. Profit/Loss Per Share**

(a) Basic

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

	<b>Individual Quarter Ended</b>		<b>Cumulative YTD</b>	
	<b>28-Feb-21</b>	<b>29-Feb-20</b>	<b>28-Feb-21</b>	<b>29-Feb-20</b>
Profit After Taxation & Minority Interest (RM'000)	<u>(1,793)</u>	<u>(2,032)</u>	<u>(5,806)</u>	<u>(5,479)</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,174,474</u>	<u>950,569</u>	<u>1,174,474</u>	<u>950,569</u>
Basic Earning Per Share (Sen)	<u>(0.15)</u>	<u>(0.21)</u>	<u>(0.49)</u>	<u>(0.58)</u>

(b) Dilutive

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

	<b>Individual Quarter Ended</b>		<b>Cumulative YTD</b>	
	<b>28-Feb-21</b>	<b>29-Feb-20</b>	<b>28-Feb-21</b>	<b>29-Feb-20</b>
Profit After Taxation & Minority Interest (RM'000)	<u>(1,793)</u>	<u>(2,032)</u>	<u>(5,806)</u>	<u>(5,479)</u>
Dilutive shares on option outstanding ('000)	<u>1,182,533</u>	<u>950,569</u>	<u>1,195,883</u>	<u>950,569</u>
Basic Earning Per Share (Sen)	<u>(0.15)</u>	<u>(0.21)</u>	<u>(0.49)</u>	<u>(0.58)</u>

**29. 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 28 April 2021.