

**KEY ASIC BHD**  
**(Company No. 707082-M)**  
Condensed Consolidated Statements Of Comprehensive Income  
For The Period Ended 31 August 2021

|   | Note | Unaudited<br>Current<br>Qtr Ended<br>31/08/2021<br>RM'000 | Unaudited<br>Comparative<br>Qtr Ended<br>31/08/2020<br>RM'000 | Unaudited<br>Cumulative<br>YTD<br>31/08/2021<br>RM'000 | Unaudited<br>Cumulative<br>YTD<br>31/08/2020<br>RM'000 |
|---|------|---|---|--|--|
| Revenue   |      | 4,165   | 4,390   | 4,165  | 4,390  |
| Cost of sales   |      | (2,842)   | (3,089)   | (2,842)  | (3,089)  |
| <b>Gross profits</b>  |      | <b>1,323</b>  | <b>1,301</b>  | <b>1,323</b>   | <b>1,301</b>   |
| Other income  |      | 54  | 9   | 54   | 9  |
| <b>Total Income</b>   |      | <b>4,219</b>  | <b>4,399</b>  | <b>4,219</b>   | <b>4,399</b>   |
| <b>Expenses</b>   |      |   |   |  |  |
| Administrative expenses   |      | (255)   | (625)   | (255)  | (625)  |
| Selling and distribution expenses                               |      | (325)   | (398)   | (325)  | (398)  |
| Research and development expenses                               |      | (772)   | (952)   | (772)  | (952)  |
| <b>Profit/(Loss) From Operations</b>                            |      | <b>25</b>   | <b>(665)</b>  | <b>25</b>  | <b>(665)</b>   |
| Depreciation  |      | (221)   | (161)   | (221)  | (161)  |
| Amortisation of Intangible Assets                               |      | (316)   | (311)   | (316)  | (311)  |
| <b>Profit/(Loss) before tax</b>                                 |      | <b>(512)</b>  | <b>(1,137)</b>  | <b>(512)</b>   | <b>(1,137)</b>   |
| Profit/(Loss) before tax is stated after charging/(crediting):- |      |   |   |  |  |
| Interest income   |      | (54)  | (8)   | (54)   | (8)  |
| Depreciation and amortisation                                   |      | 537   | 472   | 537  | 472  |
| Foreign exchange gain or loss                                   |      | (217)   | 32  | (217)  | 32   |
| Income tax expense  | 19   | -   | (3)   | -  | (3)  |
| <b>Profit/(Loss) for the period</b>                             |      | <b>(512)</b>  | <b>(1,140)</b>  | <b>(512)</b>   | <b>(1,140)</b>   |
| Foreign currency translation                                    |      | (58)  | (141)   | (58)   | (141)  |
| <b>Total Comprehensive Profit/(Loss)</b>                        |      | <b>(570)</b>  | <b>(1,281)</b>  | <b>(570)</b>   | <b>(1,281)</b>   |
| Profit attributable to:   |      |   |   |  |  |
| Equity holders of the Company                                   |      | (512)   | (1,140)   | (512)  | (1,140)  |
| Total comprehensive profit attributable to:                     |      |   |   |  |  |
| Equity holders of the Company                                   |      | (570)   | (1,281)   | (570)  | (1,281)  |
| Basic earning per share (sen)                                   | 28   | (0.04)  | (0.10)  | (0.04)   | (0.10)   |
| Diluted earning per share (sen)                                 | 28   | (0.04)  | (0.10)  | (0.04)   | (0.10)   |

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

|  | <b>Unaudited<br/>As At<br/>31/08/2021<br/>RM'000</b> | <b>Audited<br/>As At<br/>31/05/2021<br/>RM'000</b> |
|--|--|--|
| <b>ASSETS</b>  |  |  |
| <b>Non-current assets</b>                                  |  |  |
| Property, plant & equipment                                | 1,252  | 1,348  |
| Intangible assets  | 14,223   | 14,539   |
| Right of used asset  | 553  | 678  |
|  | <u>16,028</u>  | <u>16,565</u>                                      |
| <b>Current assets</b>                                      |  |  |
| Trade and other receivables                                | 2,482  | 1,407  |
| Inventories  | 2,131  | 2,341  |
| Cash and cash equivalents                                  | 21,168   | 22,062   |
|  | <u>25,781</u>  | <u>25,810</u>                                      |
|  | <u>41,809</u>  | <u>42,375</u>                                      |
| <b>TOTAL ASSETS</b>  |  |  |
| <b>EQUITY AND LIABILITIES</b>                              |  |  |
| <b>Equity attributable to equity holders of the parent</b> |  |  |
| Share capital  | 58,025   | 58,025   |
| Accumulated profit / (loss)                                | (24,608)   | (24,096)   |
| ESOS reserve   | 2,994  | 2,994  |
| Other reserve  | (435)  | (377)  |
|  | <u>35,976</u>  | <u>36,546</u>                                      |
| <b>LIABILITIES</b>   |  |  |
| <b>Non-current liabilities</b>                             |  |  |
| Deferred tax liabilities                                   | -  | 27   |
|  | <u>-</u>   | <u>27</u>  |
| <b>Current liabilities</b>                                 |  |  |
| Trade and other payables                                   | 4,365  | 4,228  |
| Lease Liabilities - ROUA                                   | 592  | 698  |
| Amount due to directors                                    | 876  | 876  |
|  | <u>5,833</u>   | <u>5,802</u>                                       |
|  | <u>5,833</u>   | <u>5,829</u>                                       |
| <b>Total liabilities</b>                                   |  |  |
|  | <u>41,809</u>  | <u>42,375</u>                                      |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        |  |  |
| Net Assets Per Share Attributable to Equity of Parent (RM) | 0.0283   | 0.0288   |

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

|  | <b>Unaudited<br/>3 Months<br/>Ended<br/>31/08/2021<br/>RM'000</b> | <b>Audited<br/>12 Months<br/>Ended<br/>31/05/2021<br/>RM'000</b> |
|--|---|--|
| <b>Cash Flow From Operating Activities</b>                         |   |  |
| Profit/(Loss) before taxation                                      | (512)   | (7,933)  |
| Adjustments for:   |   |  |
| Amortisation of intangible assets                                  | 316   | 1,262  |
| Depreciation of Right of used assets                               | 125   | 494  |
| Depreciation of property, plant and equipment                      | 96  | 296  |
| Foreign exchange translation                                       | -   | (128)  |
| Rent concession  | -   | (24)   |
| Exceptional items:   |   |  |
| Inventories written off  | -   | 82   |
| Impairment loss on trade receivables                               | -   | 14   |
| Other receivables written off                                      | -   | 14   |
| Reversal of impairment loss on trade receivables                   | -   | (1,942)  |
| ESOS expenses  | -   | 3,011  |
| Interest Expense   | 4   | 25   |
| Interest income  | (54)  | (72)   |
| Operating profit/(loss) before working capital changes             | <u>(25)</u>   | <u>(4,901)</u>   |
| Changes in working capital:-                                       |   |  |
| (Increase) / Decrease in inventories                               | 210   | (1,610)  |
| (Increase) / Decrease in receivables                               | (1,075)   | 2,693  |
| Increase/(Decrease) in payables                                    | 137   | (2,553)  |
| Cash used in operations  | <u>(753)</u>  | <u>(6,371)</u>   |
| Interest received  | 54  | 72   |
| Tax refund / (paid)  | -   | (21)   |
| Net cash flow used in operating activities                         | <u>(699)</u>  | <u>(6,320)</u>   |
| <b>Cash Flow From Investing Activities</b>                         |   |  |
| Purchase of property, plant & equipment                            | -   | (978)  |
| Net cash used in investing activities                              | <u>-</u>  | <u>(978)</u>   |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                         |   |  |
| Proceeds from issuance of shares                                   |   |  |
| - private placement  | -   | 18,127   |
| - pursuant to exercise of ESOS                                     | -   | 2,960  |
| Repayment of Lease Liabilities                                     | (136)   | (493)  |
| Advances from a director   | -   | 94   |
| Net cash generated from financing activities                       | <u>(136)</u>  | <u>20,688</u>  |
| <b>Net (decrease)/increase in cash and cash equivalents</b>        | <u>(835)</u>  | <u>13,390</u>  |
| <b>Effects of changes in exchange rates</b>                        | <u>(59)</u>   | <u>78</u>  |
| <b>Cash and cash equivalents as at 1 June</b>                      | 22,062  | 8,594  |
| <b>Cash and cash equivalents as at end of the financial period</b> | <u>21,168</u>   | <u>22,062</u>  |

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

|                                      | <----- Attributable to Equity Holders of the Parent -----> |                               |                   |                       |        |                             | Total<br>Equity |
|--------------------------------------|--|-------------------------------|-------------------|-----------------------|--------|-----------------------------|-----------------|
|                                      | Share<br>Capital   | ----- Non Distributable ----- |                   | (Accumulated<br>Loss) | Total  | Non-Controlling<br>Interest |                 |
|                                      |  | ESOS<br>Reserves              | Other<br>Reserves |                       |        |                             |                 |
|                                      | RM'000   | RM'000                        | RM'000            | RM'000                | RM'000 | RM'000                      | RM'000          |
| <b>At 1 June 2021</b>                | 58,025   | 2,994                         | (377)             | (24,096)              | 36,546 | -                           | 36,546          |
| Total Comprehensive Profit/(Loss)    | -  | -                             | (58)              | (512)                 | (570)  | -                           | (570)           |
| Issuance of shares                   | -  | -                             | -                 | -                     | -      | -                           | -               |
| <b>At 31 August 2021 (Unaudited)</b> | 58,025   | 2,994                         | (435)             | (24,608)              | 35,976 | -                           | 35,976          |

**The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2021 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 31 August 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 2021. 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 2021.

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 2021, 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 2021 was not qualified.

**3. Segmental Information**

| <b>Business Segments</b>                    | <b>Non-recurring engineering services<br/>RM'000</b> | <b>Recurring engineering services<br/>RM'000</b> | <b>Eliminations<br/>RM'000</b> | <b>Consolidated<br/>RM'000</b> |
|---|--|--|--------------------------------|--------------------------------|
| <b>Current Quarter ended 31 August 2021</b> |  |  |                                |                                |
| <b>Segment Revenue</b>                      |  |  |                                |                                |
| Sales                                       | -  | 4,296  | (131)                          | 4,165                          |
| <b>Segment LBT</b>                          |  |  |                                |                                |
| Profit/(Loss) before tax                    | (1,727)  | 1,160  | 1                              | (566)                          |
| Other income                                |  |  |                                | 54                             |
| Profit before tax                           |  |  |                                | <u>(512)</u>                   |
| Depreciation                                | 96   | 125  | -                              | 221                            |
| Non cash expenses other than depreciation   | 316  | -  | -                              | 316                            |
| <b>Cumulative YTD ended 31 August 2021</b>  |  |  |                                |                                |
| <b>Segment Revenue</b>                      |  |  |                                |                                |
| Sales                                       | -  | 4,296  | (131)                          | 4,165                          |
| <b>Segment LBT</b>                          |  |  |                                |                                |
| Profit/(Loss) before tax                    | (1,727)  | 1,160  | 1                              | (566)                          |
| Other income                                |  |  |                                | 54                             |
| Profit before tax                           |  |  |                                | <u>(512)</u>                   |
| Depreciation                                | 96   | 125  | -                              | 221                            |
| Non cash expenses other than depreciation   | 316  | -  | -                              | 316                            |
| Segment assets                              | 43,153   | 838  | (2,182)                        | 41,809                         |
| Segment liabilities                         | 6,702  | 1,390  | (2,259)                        | 5,833                          |
| Capital expenditure                         | -  | -  | -                              | -                              |
| <b>Geographical Segments</b>                |  |  |                                |                                |
|   | <b>Total Revenue</b>                                 |  | <b>Total PBT/(LBT)</b>         |                                |
|   | <b>Qtr Ended</b>                                     |  | <b>Qtr Ended</b>               |                                |
|   | <b>31/08/2021</b>                                    | <b>31/08/2020</b>                                | <b>31/08/2021</b>              | <b>31/08/2020</b>              |
|   | <b>RM'000</b>  | <b>RM'000</b>                                    | <b>RM'000</b>                  | <b>RM'000</b>                  |
| Malaysia                                    | -  | 270  | (1,282)                        | (1,542)                        |
| Taiwan                                      | 4,165  | 4,120  | 770                            | 405                            |
|   | <u>4,165</u>   | <u>4,390</u>                                     | <u>(512)</u>                   | <u>(1,137)</u>                 |

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

**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 31 August 2021.

**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 31 August 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 RM0.512 million on the back of revenue of RM4.165 million.

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

|                               | <b>Current<br/>Qtr Ended<br/>31/08/2021<br/>RM'000</b> | <b>Preceding<br/>Qtr Ended<br/>31/05/2021<br/>RM'000</b> | <b>% Changes</b> |
|-------------------------------|--|--|------------------|
| Turnover                      | 4,165  | 2,487  | 67.5%            |
| Profit/(Loss) Before Taxation | (512)  | (2,126)  | -75.9%           |

The Group recorded a revenue of RM4.165 million and LBT of RM0.512 million in the current quarter as compared to a revenue of RM2.487 million and LBT of RM2.126 million in the immediate preceding quarter. This represents a increase in revenue of approximately 67.5% and a decrease in LBT of 75.9% respectively as compared to preceding quarter.

## **17. Commentary Of Prospects**

Order booked for chips continues to be strong and delivery is already scheduled till September 2022. However, capacity shortage remains to be a challenge. The Management team is working aggressively in securing capacity from various manufacturing partners. With the COVID-19 situation better managed and restrictions relaxed, the shortage of capacity is also expected to ease over time.

ASIC/SoC/IP design business continues to grow and it is expanded now beyond CMOS technologies. There is strong demand from various customers requesting design services based on compound semiconductor process technology such as GaN, SiC, SiGe, etc for power devices in fast charging and Electronic Vehicles. The Company foresees this business growing rapidly in the near future.

The Company continues to see surge on the automotive chips and has been shipping significant amount of chips recently.

## **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 31 August 2021 consist of the following :

|                       |                             |
|-----------------------|-----------------------------|
|                       | <b>RM'000</b>               |
| Current tax expenses  | -                           |
| Deferred tax expenses | -                           |
|                       | <u>                    </u> |
|                       | <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, 85,200,000 new ordinary shares were issued pursuant to the Private Placement and were subsequently listed and quoted on the Main Market of Bursa Securities Berhad.

The details of the utilisation of proceeds from the Private Placement were as follows :-

| <b>Description</b>                     | <b>Proposed<br/>Utilisation<br/>(RM'000)</b> | <b>Actual<br/>Utilisation<br/>(RM'000)</b> | <b>Balance to be<br/>utilised<br/>(RM'000)</b> |
|--|--|--|--|
| Payment for cost of sales              | 6,650  | 4,864                                      | 1,786  |
| Payment of salaries                    | 10,375                                       | 2,593                                      | 7,782  |
| Payment of office rentals              | 1,060  | 265  | 795  |
| Payment of licensing fees of EDA tools | 2,550  | 645  | 1,905  |

Bursa Malaysia Securities Berhad had, vide its letter dated 24 May 2021 , granted the Company approval for a further extension of time of six month from 27 May 2021 to 27 November 2021 to complete the Proposed Private Placement

## **23. Group Borrowings and Debt Securities**

The Group does not have any borrowing or issued any debt securities as at 31 August 2021.

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**(Company No. 707082-M)**

**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 June 2021 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<br/>31/08/2021<br/>RM'000</b> | <b>Group<br/>31/05/2021<br/>RM'000</b> |
|--|--|--|
| Total accumulated losses of Key ASIC Berhad and it's subsidiaries: |  |  |
| - Realised   | (24,639)                               | (22,141)                               |
| - Unrealised - in respect of other items of income and expense     | 31                                     | 174                                    |
| Total Group accumulated losses as per consolidated accounts        | <u>(24,608)</u>                        | <u>(21,967)</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 31 August 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>31-Aug-21</b>                | <b>31-Aug-20</b> | <b>31-Aug-21</b>      | <b>31-Aug-20</b> |
| Profit After Taxation & Minority Interest (RM'000)         | <u>(512)</u>                    | <u>(1,140)</u>   | <u>(512)</u>          | <u>(1,140)</u>   |
| Weighted average number of ordinary shares in issue ('000) | <u>1,269,111</u>                | <u>1,160,101</u> | <u>1,269,111</u>      | <u>1,160,101</u> |
| Basic Earning Per Share (Sen)                              | <u>(0.04)</u>                   | <u>(0.10)</u>    | <u>(0.04)</u>         | <u>(0.10)</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>31-Aug-21</b>                | <b>31-Aug-20</b> | <b>31-Aug-21</b>      | <b>31-Aug-20</b> |
| Profit After Taxation & Minority Interest (RM'000) | <u>(512)</u>                    | <u>(1,140)</u>   | <u>(512)</u>          | <u>(1,140)</u>   |
| Dilutive shares on option outstanding ('000)       | <u>1,305,143</u>                | <u>1,172,654</u> | <u>1,305,143</u>      | <u>1,172,654</u> |
| Basic Earning Per Share (Sen)                      | <u>(0.04)</u>                   | <u>(0.10)</u>    | <u>(0.04)</u>         | <u>(0.10)</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 29 October 2021.