

**KEY ASIC BHD**  
**(Company No. 707082-M)**  
Condensed Consolidated Statements Of Comprehensive Income  
For The Period Ended 30 November 2021

	Note	Unaudited Current Qtr Ended 30/11/2021 RM'000	Unaudited Comparative Qtr Ended 30/11/2020 RM'000	Unaudited Cumulative YTD 30/11/2021 RM'000	Unaudited Cumulative YTD 30/11/2020 RM'000
Revenue		3,258	4,027	7,423	8,417
Cost of sales		(2,615)	(3,172)	(5,457)	(6,261)
<b>Gross profits</b>		<b>643</b>	<b>855</b>	<b>1,966</b>	<b>2,156</b>
Other income		421	2,024	475	2,034
<b>Total Income</b>		<b>3,679</b>	<b>6,051</b>	<b>7,898</b>	<b>10,451</b>
<b>Expenses</b>					
Administrative expenses		(720)	(1,069)	(975)	(1,694)
Selling and distribution expenses		(329)	(364)	(654)	(762)
Research and development expenses		(730)	(908)	(1,502)	(1,860)
<b>Profit/(Loss) From Operations</b>		<b>(715)</b>	<b>538</b>	<b>(690)</b>	<b>(126)</b>
Depreciation		(222)	(141)	(443)	(297)
Amortisation of Intangible Assets		(315)	(315)	(631)	(631)
<b>Profit/(Loss) Before Interest, Taxes, Impairment and ESOS Expense</b>		<b>(1,252)</b>	<b>82</b>	<b>(1,764)</b>	<b>(1,054)</b>
ESOS Expenses		(321)	(2,956)	(321)	(2,956)
<b>Profit/(Loss) before tax</b>		<b>(1,573)</b>	<b>(2,874)</b>	<b>(2,085)</b>	<b>(4,010)</b>
Profit/(Loss) before tax is stated after charging/(crediting):-					
Interest income		(50)	(17)	(104)	(25)
Depreciation and amortisation		537	456	1,074	928
Reversal of impairment loss on trade receivables		-	(2,006)	-	(2,006)
ESOS expenses		321	2,956	321	2,956
Foreign exchange gain or loss		(65)	98	(282)	130
Income tax expense	19	-	-	-	(3)
<b>Profit/(Loss) for the period</b>		<b>(1,573)</b>	<b>(2,874)</b>	<b>(2,085)</b>	<b>(4,013)</b>
Foreign currency translation		59	67	1	(74)
<b>Total Comprehensive Profit/(Loss)</b>		<b>(1,514)</b>	<b>(2,807)</b>	<b>(2,084)</b>	<b>(4,087)</b>
Profit attributable to:					
Equity holders of the Company		(1,573)	(2,874)	(2,085)	(4,013)
Total comprehensive profit attributable to:					
Equity holders of the Company		(1,514)	(2,807)	(2,084)	(4,087)
Basic earning per share (sen)	28	(0.12)	(0.25)	(0.16)	(0.34)
Diluted earning per share (sen)	28	(0.12)	(0.24)	(0.16)	(0.34)

**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 30 November 2021

	<b>Unaudited As At 30/11/2021 RM'000</b>	<b>Audited As At 31/05/2021 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	1,180	1,348
Intangible assets	13,908	14,539
Right of used asset	430	678
	<u>15,518</u>	<u>16,565</u>
<b>Current assets</b>		
Trade and other receivables	1,853	1,407
Inventories	2,854	2,341
Cash and cash equivalents	26,750	22,062
	<u>31,457</u>	<u>25,810</u>
	<u>46,975</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	67,027	58,025
Accumulated profit / (loss)	(26,181)	(24,096)
ESOS reserve	865	2,994
Other reserve	(376)	(377)
	<u>41,335</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	4,297	4,228
Lease Liabilities - ROUA	467	698
Amount due to directors	876	876
	<u>5,640</u>	<u>5,802</u>
<b>Total liabilities</b>	5,640	5,829
	<u>46,975</u>	<u>42,375</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		
Net Assets Per Share Attributable to Equity of Parent (RM)	0.0310	0.0288

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**KEY ASIC BHD**  
**(Company No. 707082-M)**  
Condensed Consolidated Cash Flow Statements  
For The Period Ended 30 November 2021

	<b>Unaudited 6 Months Ended 30/11/2021 RM'000</b>	<b>Audited 12 Months Ended 31/05/2021 RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit/(Loss) before taxation	(2,085)	(7,933)
Adjustments for:		
Amortisation of intangible assets	631	1,262
Depreciation of Right of used assets	261	494
Depreciation of property, plant and equipment	182	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	321	3,011
Interest Expense	7	25
Interest income	(104)	(72)
Operating profit/(loss) before working capital changes	(787)	(4,901)
Changes in working capital:-		
(Increase) / Decrease in inventories	(513)	(1,610)
(Increase) / Decrease in receivables	(446)	2,693
Increase/(Decrease) in payables	69	(2,553)
Cash used in operations	(1,677)	(6,371)
Interest received	104	72
Tax refund / (paid)	-	(21)
Net cash flow used in operating activities	(1,573)	(6,320)
<b>Cash Flow From Investing Activities</b>		
Purchase of property, plant & equipment	(14)	(978)
Net cash used in investing activities	(14)	(978)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares		
- private placement	-	18,127
- pursuant to exercise of ESOS	6,922	2,960
Repayment of Lease Liabilities	(271)	(493)
Advances from a director	-	94
Net cash generated from financing activities	6,651	20,688
<b>Net (decrease)/increase in cash and cash equivalents</b>	5,064	13,390
<b>Effects of changes in exchange rates</b>	(376)	78
<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>	26,750	22,062

**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 30 November 2021  
(The figures have not been audited)

	<----- Attributable to Equity Holders of the Parent ----->						Total Equity
	Share Capital	----- Non Distributable -----		(Accumulated Loss)	Total	Non-Controlling Interest	
		ESOS Reserves	Other 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)	-	-	1	(2,085)	(2,084)	-	(2,084)
Issuance of shares							
- pursuant to exercise of ESOS	9,002	(2,080)			6,922		6,922
Share option granted under ESOS		321			321		321
Lapsed share options		(370)			(370)		(370)
<b>At 30 November 2021 (Unaudited)</b>	<b>67,027</b>	<b>865</b>	<b>(376)</b>	<b>(26,181)</b>	<b>41,335</b>	<b>-</b>	<b>41,335</b>

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 30 November 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 2021. 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 RM'000</b>	<b>Recurring engineering services RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Current Quarter ended 30 November 2021</b>				
<b>Segment Revenue</b>				
Sales	42	3,346	(130)	3,258
<b>Segment LBT</b>				
Profit/(Loss) before tax	(2,732)	738	-	(1,994)
Other income				421
Profit before tax				<u>(1,573)</u>
Depreciation	96	126	-	222
Non cash expenses other than depreciation	315	-	-	315
<b>Cumulative YTD ended 30 November 2021</b>				
<b>Segment Revenue</b>				
Sales	42	7,642	(261)	7,423
<b>Segment LBT</b>				
Profit/(Loss) before tax	(4,255)	1,696	(1)	(2,560)
Other income				475
Profit before tax				<u>(2,085)</u>
Depreciation	192	251	-	443
Non cash expenses other than depreciation	631	-	-	631
Segment assets	48,633	853	(2,511)	46,975
Segment liabilities	6,666	1,582	(2,608)	5,640
Capital expenditure	-	-	-	-
<b>Geographical Segments</b>				
	<b>Total Revenue</b>		<b>Total PBT/(LBT)</b>	
	<b>Qtr Ended</b>		<b>Qtr Ended</b>	
	<b>30/11/2021</b>	<b>30/11/2020</b>	<b>30/11/2021</b>	<b>30/11/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysia	-	18	(1,614)	(2,909)
Taiwan	3,258	4,009	41	35
	<u>3,258</u>	<u>4,027</u>	<u>(1,573)</u>	<u>(2,874)</u>

**KEY ASIC BHD  
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**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 November 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 30 November 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 RM1.573 million on the back of revenue of RM3.258 million.

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

	<b>Current Qtr Ended 30/11/2021 RM'000</b>	<b>Preceding Qtr Ended 31/08/2021 RM'000</b>	<b>% Changes</b>
Turnover	3,258	4,165	-21.8%
Profit/(Loss) Before Taxation	(1,573)	(512)	207.2%

The Group recorded a revenue of RM3.258 million and LBT of RM1.573 million in the current quarter as compared to a revenue of RM4.165 million and LBT of RM0.512 million in the immediate preceding quarter. This represents a decrease in revenue of approximately 21.8% and an increase in LBT of 207.2% respectively as compared to preceding quarter.

**17. Commentary Of Prospects**

The demand of chips remains to be strong and expected to remain strong through the year 2022. However, the capacity remains extremely tight and the fulfillment is less than 1/3. It is estimated that capacity for consumer electronic chips maybe available in second half of 2022, however, the capacity for automotive chips remain tight despite of expansion of capacity in the industry. The pandemic still disrupts the operation of the fabs, causing shortage of capacity.

The Group is currently engaged in several new projects including an energy harvesting chip. Energy harvesting technology is one of the most promising technologies that is likely to disrupt RFID in tagging the goods or objects in warehouse, hospital, manufacturing factories, airports, etc.

The acquisition of the fab as announced is moving forward as planned.

**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 30 November 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 on 27 November 2020 obtained approval from Bursa Malaysia Securities Berhad for the listing and quotation of up to 255,524,400 new ordinary shares to be issued pursuant to the private placement under the general mandate obtained from the shareholders at its Annual General Meeting held on 17 November 2020 ("Private Placement").

Subsequently, the Company had at the Annual General Meeting held on 12 November 2021 obtained the shareholders' approval for a general mandate to issue up to 10% of its total number of issued shares.

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 Malaysia Securities Berhad.

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

<b>Description</b>	<b>Proposed Utilisation (RM'000)</b>	<b>Actual Utilisation (RM'000)</b>	<b>Balance to be utilised (RM'000)</b>
Payment for cost of sales	6,650	6,650	-
Payment of salaries	10,375	3,457	6,918
Payment of office rentals	1,060	354	706
Payment of licensing fees of EDA tools	2,550	860	1,690

Bursa Malaysia Securities Berhad had, vide its letter dated 25 November 2021 , granted the Company approval for a further extension of time of six month from 27 November 2021 to 27 May 2022 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 30 November 2021.

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**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 30/11/2021 RM'000</b>	<b>Group 31/05/2021 RM'000</b>
Total accumulated losses of Key ASIC Berhad and it's subsidiaries:		
- Realised	(25,941)	(24,224)
- Unrealised - in respect of other items of income and expense	(240)	128
Total Group accumulated losses as per consolidated accounts	<u>(26,181)</u>	<u>(24,096)</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 30 November 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>30/11/2021</b>	<b>30/11/2020</b>	<b>30/11/2021</b>	<b>30/11/2020</b>
Profit After Taxation & Minority Interest (RM'000)	<u>(1,573)</u>	<u>(2,874)</u>	<u>(2,085)</u>	<u>(4,013)</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,335,361</u>	<u>1,172,961</u>	<u>1,335,361</u>	<u>1,172,961</u>
Basic Earning Per Share (Sen)	<u>(0.12)</u>	<u>(0.25)</u>	<u>(0.16)</u>	<u>(0.34)</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>30/11/2021</b>	<b>30/11/2020</b>	<b>30/11/2021</b>	<b>30/11/2020</b>
Profit After Taxation & Minority Interest (RM'000)	<u>(1,573)</u>	<u>(2,874)</u>	<u>(2,085)</u>	<u>(4,013)</u>
Dilutive shares on option outstanding ('000)	<u>1,335,361</u>	<u>1,180,765</u>	<u>1,335,361</u>	<u>1,180,765</u>
Basic Earning Per Share (Sen)	<u>(0.12)</u>	<u>(0.24)</u>	<u>(0.16)</u>	<u>(0.34)</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 27 January 2022.