

**KEY ASIC BHD**  
**(Company No. 707082-M)**  
Condensed Consolidated Statements Of Comprehensive Income  
For The Period Ended 30 November 2022

	Note	Unaudited Current Qtr Ended 30/11/2022 RM'000	Unaudited Comparative Qtr Ended 30/11/2021 RM'000	Unaudited Cumulative YTD 30/11/2022 RM'000	Unaudited Cumulative YTD 30/11/2021 RM'000
Revenue		5,573	3,258	8,245	7,423
Cost of sales		(4,365)	(2,615)	(6,576)	(5,457)
<b>Gross profits</b>		<b>1,208</b>	<b>643</b>	<b>1,669</b>	<b>1,966</b>
Other income		66	421	223	475
<b>Total Income</b>		<b>5,639</b>	<b>3,679</b>	<b>8,468</b>	<b>7,898</b>
<b>Expenses</b>					
Administrative expenses		(754)	(720)	(1,710)	(975)
Selling and distribution expenses		(281)	(329)	(542)	(654)
Research and development expenses		(821)	(730)	(1,735)	(1,502)
<b>Profit/(Loss) From Operations</b>		<b>(582)</b>	<b>(715)</b>	<b>(2,095)</b>	<b>(690)</b>
Depreciation		(216)	(222)	(440)	(443)
Amortisation of Intangible Assets		(317)	(315)	(633)	(631)
<b>Profit/(Loss) Before Interest, Taxes, Impairment and ESOS Expense</b>		<b>(1,115)</b>	<b>(1,252)</b>	<b>(3,168)</b>	<b>(1,764)</b>
ESOS Expenses		(2,710)	(321)	(2,710)	(321)
<b>Profit/(Loss) before tax</b>		<b>(3,825)</b>	<b>(1,573)</b>	<b>(5,878)</b>	<b>(2,085)</b>
Profit/(Loss) before tax is stated after charging/(crediting):-					
Interest income		(64)	(50)	(132)	(104)
Depreciation and amortisation		533	537	1,073	1,074
Impairment on trade receivables		-	-	-	-
Impairment on intangible assets		-	-	-	-
Reversal of impairment loss on trade receivables		-	-	-	-
ESOS expenses		2,710	321	2,710	321
Foreign exchange gain or loss		(50)	(65)	(108)	(282)
Income tax expense	19	-	-	-	-
<b>Profit/(Loss) for the period</b>		<b>(3,825)</b>	<b>(1,573)</b>	<b>(5,878)</b>	<b>(2,085)</b>
Foreign currency translation		(511)	59	(531)	1
<b>Total Comprehensive Profit/(Loss)</b>		<b>(4,336)</b>	<b>(1,514)</b>	<b>(6,409)</b>	<b>(2,084)</b>
Profit attributable to:					
Equity holders of the Company		(3,825)	(1,573)	(5,878)	(2,085)
Total comprehensive profit attributable to:					
Equity holders of the Company		(4,336)	(1,514)	(6,409)	(2,084)
Basic earning per share (sen)	28	(0.28)	(0.12)	(0.43)	(0.16)
Diluted earning per share (sen)	28	(0.28)	(0.12)	(0.43)	(0.18)

**The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2022 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 2022

	<b>Unaudited As At 30/11/2022 RM'000</b>	<b>Audited As At 31/05/2022 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	867	1,074
Intangible assets	9,773	10,406
Right of used asset	622	176
	<u>11,262</u>	<u>11,656</u>
<b>Current assets</b>		
Trade and other receivables	3,199	2,154
Inventories	2,192	1,873
Cash and cash equivalents	20,424	24,078
	<u>25,815</u>	<u>28,105</u>
	<u>37,077</u>	<u>39,761</u>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	67,982	67,892
Accumulated profit / (loss)	(38,561)	(32,683)
ESOS reserve	2,669	-
Other reserve	(850)	(319)
	<u>31,240</u>	<u>34,890</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	-	1
	<u>-</u>	<u>1</u>
<b>Current liabilities</b>		
Trade and other payables	4,280	3,774
Lease Liabilities - ROUA	631	183
Amount due to directors	926	913
	<u>5,837</u>	<u>4,870</u>
	<u>5,837</u>	<u>4,871</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		
	<u>37,077</u>	<u>39,761</u>
Net Assets Per Share Attributable to Equity of Parent (RM)	0.0229	0.0256

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**KEY ASIC BHD**  
**(Company No. 707082-M)**  
Condensed Consolidated Cash Flow Statements  
For The Period Ended 30 November 2022

	<b>Unaudited 6 Months Ended 30/11/2022 RM'000</b>	<b>Audited 12 Months Ended 31/05/2022 RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit/(Loss) before taxation	(5,878)	(8,662)
Adjustments for:		
Amortisation of intangible assets	633	1,262
Depreciation of Right of used assets	221	503
Depreciation of property, plant and equipment	219	387
Foreign exchange translation	-	(238)
Rent concession	-	-
Impairment on Trade Receivables		
Exceptional items:		
Impairment loss on intangible assets	-	2,882
Inventories written off	-	131
Impairment loss on trade receivables	-	4
Other receivables written off	-	1
Reversal of impairment loss on trade receivables	-	-
ESOS expenses	2,710	-
Lapsed shares option		
Interest Expense	17	12
Interest income	(132)	(247)
Operating profit/(loss) before working capital changes	(2,210)	(3,965)
Changes in working capital:-		
(Increase) / Decrease in inventories	(319)	330
(Increase) / Decrease in receivables	(1,045)	(734)
Increase/(Decrease) in payables	506	(540)
Cash used in operations	(3,068)	(4,909)
Interest Paid	-	(12)
Interest received	132	247
Tax refund / (paid)	-	-
Net cash flow used in operating activities	(2,936)	(4,674)
<b>Cash Flow From Investing Activities</b>		
Purchase of property, plant & equipment	(12)	(110)
Disposal of property, plant & equipment		
Purchase of intangible assets	-	(11)
Advance to a related party		(31)
Net cash used in investing activities	(12)	(152)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares		
- private placement	-	-
- pursuant to exercise of ESOS	49	6,922
Payment for shares buy-back		
Repayment of Lease Liabilities	(268)	(516)
Amount due to a related party		(2)
Advances from a director	(13)	37
Net cash generated from financing activities	(232)	6,441
<b>Net (decrease)/increase in cash and cash equivalents</b>	(3,180)	1,615
<b>Effects of changes in exchange rates</b>	(474)	401
<b>Cash and cash equivalents as at 1 June</b>	24,078	22,062
<b>Cash and cash equivalents as at end of the financial period</b>	20,424	24,078

**The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2022 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 2022  
(The figures have not been audited)

	<----- Attributable to Equity Holders of the Parent ----->						
	Share Capital	----- Non Distributable -----		(Accumulated Loss)	Total	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 June 2022</b>	67,892	-	(319)	(32,683)	34,890	-	34,890
Total Comprehensive Profit/(Loss)	-	-	(531)	(5,878)	(6,409)	-	(6,409)
Issuance of shares	-	-	-	-	-	-	-
- pursuant to exercise of ESOS	90	(41)	-	-	49	-	49
Share option granted under ESOS	-	2,710	-	-	2,710	-	2,710
Lapsed share options	-	-	-	-	-	-	-
<b>At 30 November 2022 (Unaudited)</b>	<b>67,982</b>	<b>2,669</b>	<b>(850)</b>	<b>(38,561)</b>	<b>31,240</b>	<b>-</b>	<b>31,240</b>

**The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2022 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 2022 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 2022. 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 2022.

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 2022, except for the adoption of new/revised MFRSs that are effective 1 June 2022. 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 2022 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 2022</b>				
<b>Segment Revenue</b>				
Sales	901	4,672	-	5,573
<b>Segment LBT</b>				
Profit/(Loss) before tax	(4,331)	440	-	(3,891)
Other income				66
Profit before tax				<u>(3,825)</u>
Depreciation	100	116	-	216
Non cash expenses other than depreciation	311	6	-	317
<b>Cumulative YTD ended 30 November 2022</b>				
<b>Segment Revenue</b>				
Sales	1,203	7,224	(182)	8,245
<b>Segment LBT</b>				
Profit/(Loss) before tax	(7,939)	1,838	-	(6,101)
Other income				223
Profit before tax				<u>(5,878)</u>
Depreciation	200	240	-	440
Non cash expenses other than depreciation	622	11	-	633
Segment assets	38,874	1,495	(3,292)	37,077
Segment liabilities	6,933	2,151	(3,247)	5,837
Capital expenditure	6	6		12
<b>Geographical Segments</b>				
	<b>Total Revenue</b>		<b>Total PBT/(LBT)</b>	
	<b>Qtr Ended</b>	<b>Qtr Ended</b>	<b>Qtr Ended</b>	<b>Qtr Ended</b>
	<b>30/11/2022</b>	<b>30/11/2021</b>	<b>30/11/2022</b>	<b>30/11/2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysia	901	-	(3,999)	(1,614)
Taiwan	4,672	3,258	174	41
	<u>5,573</u>	<u>3,258</u>	<u>(3,825)</u>	<u>(1,573)</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 30 November 2022.

**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 2022.

**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 RM3.825 million on the back of revenue of RM5.573 million.

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

	<b>Current Qtr Ended 30/11/2022 RM'000</b>	<b>Preceding Qtr Ended 31/08/2022 RM'000</b>	<b>% Changes</b>
Turnover	5,573	2,672	108.6%
Profit/(Loss) Before Taxation	(3,825)	(2,052)	86.4%

The Group recorded a revenue of RM5.573 million and LBT of RM3.825 million in the current quarter as compared to a revenue of RM2.672 million and LBT of RM2.052 million in the immediate preceding quarter. This represents an increase in revenue of approximately 108.6% and an increase in LBT of 86.4% respectively as compared to preceding quarter.

## 17. Commentary Of Prospects

Q2 revenue has increased by 108% over Q1 FY2023, and Gross Profit has increased 162%. The ESOS expense which is not related business operation added to the loss. For the past 4 months, the Group has announced signing of 5 contracts and the pipeline of projects look strong for 2HFY2023 and the outlook for FY2024 is also strong though the global semiconductor market is down for the past 6 months.

The Group continues to invest in the development of IPs that are necessary for the automotive, communication and industrial markets, building a larger pool of IPs in the advance technologies to capture more turnkey ASIC/SoC projects in the next 18 months.

## 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 2022 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	4,539	5,836
Payment of office rentals	1,060	533	527
Payment of licensing fees of EDA tools	2,550	1,612	938

Bursa Malaysia Securities Berhad had, vide its letter dated 22 July 2022 , granted the Company approval for a further extension of time of six month from 28 May 2022 to 27 November 2022 to complete the Proposed Private Placement.

The Private Placement was completed on 27 November 2022.

## 23. Group Borrowings and Debt Securities

The Group does not have any borrowing or issued any debt securities as at 30 November 2022.

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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 30/11/2022 RM'000</b>	<b>Group 31/05/2022 RM'000</b>
Total accumulated losses of Key ASIC Berhad and it's subsidiaries:		
- Realised	(38,475)	(32,191)
- Unrealised - in respect of other items of income and expense	(86)	(492)
Total Group accumulated losses as per consolidated accounts	<u>(38,561)</u>	<u>(32,683)</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 2022.

**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>30/11/2022</b>	<b>30/11/2021</b>	<b>30/11/2022</b>	<b>30/11/2021</b>
Profit After Taxation & Minority Interest (RM'000)	(3,825)	(1,573)	(5,878)	(2,085)
Weighted average number of ordinary shares in issue ('000)	1,364,911	1,335,361	1,364,911	1,335,361
Basic Earning Per Share (Sen)	(0.28)	(0.12)	(0.43)	(0.16)

(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>30/11/2022</b>	<b>30/11/2021</b>	<b>30/11/2022</b>	<b>30/11/2021</b>
Profit After Taxation & Minority Interest (RM'000)	(3,825)	(1,573)	(5,878)	(2,085)
Dilutive shares on option outstanding ('000)	1,364,911	1,335,361	1,364,911	1,335,361
Basic Earning Per Share (Sen)	(0.28)	(0.12)	(0.43)	(0.18)

**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 19 Jan 2023.