

KEY ASIC BHD
(Company No. 707082-M)
Condensed Consolidated Statements Of Comprehensive Income
For The Period Ended 28 February 2023

	Note	Unaudited Current Qtr Ended 28/02/2023 RM'000	Unaudited Comparative Qtr Ended 28/02/2022 RM'000	Unaudited Cumulative YTD 28/02/2023 RM'000	Unaudited Cumulative YTD 28/02/2022 RM'000
Revenue		7,800	2,595	16,045	10,018
Cost of sales		(5,282)	(2,116)	(11,858)	(7,573)
Gross profits		2,518	479	4,187	2,445
Other income		732	772	955	1,247
Total Income		8,532	3,367	17,000	11,265
Expenses					
Administrative expenses		(1,048)	(1,363)	(2,758)	(2,338)
Selling and distribution expenses		(319)	(333)	(861)	(987)
Research and development expenses		(1,368)	(558)	(3,103)	(2,060)
Profit/(Loss) From Operations		515	(1,003)	(1,580)	(1,693)
Depreciation		(198)	(224)	(638)	(667)
Amortisation of Intangible Assets		(313)	(316)	(946)	(947)
Profit/(Loss) Before Interest, Taxes, Impairment and ESOS Expense		4	(1,543)	(3,164)	(3,307)
ESOS Expenses		-	-	(2,710)	(321)
Profit/(Loss) before tax		4	(1,543)	(5,874)	(3,628)
Profit/(Loss) before tax is stated after charging/(crediting):-					
Interest income		(88)	(72)	(220)	(180)
Depreciation and amortisation		511	540	1,584	1,614
Reversal of impairment loss on trade receivables		(618)	-	(618)	-
ESOS expenses		-	-	2,710	321
Foreign exchange gain or loss		191	(10)	84	(292)
Income tax expense	19	-	-	-	-
Profit/(Loss) for the period		4	(1,543)	(5,874)	(3,628)
Foreign currency translation		292	(55)	(240)	(54)
Total Comprehensive Profit/(Loss)		296	(1,598)	(6,114)	(3,682)
Profit attributable to:					
Equity holders of the Company		4	(1,543)	(5,874)	(3,628)
Total comprehensive profit attributable to:					
Equity holders of the Company		296	(1,598)	(6,114)	(3,682)
Basic earning per share (sen)	28	0.00	(0.11)	(0.42)	(0.27)
Diluted earning per share (sen)	28	0.00	(0.11)	(0.42)	(0.27)

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 28 February 2023

	Unaudited As At 28/02/2023 RM'000	Audited As At 31/05/2022 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	805	1,074
Intangible assets	9,460	10,406
Right of used asset	1,029	176
	<u>11,294</u>	<u>11,656</u>
Current assets		
Trade and other receivables	6,248	2,154
Inventories	1,765	1,873
Cash and cash equivalents	22,313	24,078
	<u>30,326</u>	<u>28,105</u>
	<u>41,620</u>	<u>39,761</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	69,403	67,892
Accumulated profit / (loss)	(38,557)	(32,683)
ESOS reserve	2,011	-
Other reserve	(559)	(319)
	<u>32,298</u>	<u>34,890</u>
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	-	1
	<u>-</u>	<u>1</u>
Current liabilities		
Trade and other payables	7,294	3,774
Lease Liabilities - ROUA	1,042	183
Amount due to directors	986	913
	<u>9,322</u>	<u>4,870</u>
	<u>9,322</u>	<u>4,871</u>
TOTAL EQUITY AND LIABILITIES		
	<u>41,620</u>	<u>39,761</u>
Net Assets Per Share Attributable to Equity of Parent (RM)	0.0232	0.0256

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 Cash Flow Statements
For The Period Ended 28 February 2023

	Unaudited 9 Months Ended 28/02/2023 RM'000	Audited 12 Months Ended 31/05/2022 RM'000
Cash Flow From Operating Activities		
Profit/(Loss) before taxation	(5,874)	(8,662)
Adjustments for:		
Amortisation of intangible assets	946	1,262
Depreciation of Right of used assets	350	503
Depreciation of property, plant and equipment	288	387
Foreign exchange translation	-	(238)
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	(618)	-
ESOS expenses	2,710	-
Interest Expense	29	12
Interest income	(220)	(247)
Operating profit/(loss) before working capital changes	(2,389)	(3,965)
Changes in working capital:-		
(Increase) / Decrease in inventories	108	330
(Increase) / Decrease in receivables	(3,476)	(734)
Increase/(Decrease) in payables	3,520	(540)
Cash used in operations	(2,237)	(4,909)
Interest Paid	(29)	(12)
Interest received	220	247
Net cash flow used in operating activities	(2,046)	(4,674)
Cash Flow From Investing Activities		
Purchase of property, plant & equipment	(19)	(110)
Purchase of intangible assets	-	(11)
Advance to a related party	-	(31)
Net cash used in investing activities	(19)	(152)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares		
- pursuant to exercise of ESOS	812	6,922
Repayment of Lease Liabilities	(398)	(516)
Amount due to a related party	-	(2)
Advances from a director	73	37
Net cash generated from financing activities	487	6,441
Net (decrease)/increase in cash and cash equivalents	(1,578)	1,615
Effects of changes in exchange rates	(187)	401
Cash and cash equivalents as at 1 June	24,078	22,062
Cash and cash equivalents as at end of the financial period	22,313	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 28 February 2023
(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
At 1 June 2022	67,892	-	(319)	(32,683)	34,890	-	34,890
Total Comprehensive Profit/(Loss)	-	-	(240)	(5,874)	(6,114)	-	(6,114)
Issuance of shares	-	-	-	-	-	-	-
- pursuant to exercise of ESOS	1,511	(699)	-	-	812	-	812
Share option granted under ESOS	-	2,710	-	-	2,710	-	2,710
Lapsed share options	-	-	-	-	-	-	-
At 28 February 2023 (Unaudited)	69,403	2,011	(559)	(38,557)	32,298	-	32,298

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 28 February 2023 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

Business Segments	Non-recurring engineering services RM'000	Recurring engineering services RM'000	Eliminations RM'000	Consolidated RM'000
Current Quarter ended 28 February 2023				
Segment Revenue				
Sales	6,649	1,151		7,800
Segment PBT				
Profit/(Loss) before tax	(2,635)	1,907	-	(728)
Other income				732
Profit before tax				<u>4</u>
Depreciation	99	99	-	198
Non cash expenses other than depreciation	311	2	-	313
Cumulative YTD ended 28 February 2023				
Segment Revenue				
Sales	7,852	8,375	(182)	16,045
Segment LBT				
Profit/(Loss) before tax	(10,574)	3,745	-	(6,829)
Other income				955
Profit before tax				<u>(5,874)</u>
Depreciation	297	341	-	638
Non cash expenses other than depreciation	932	13	1	946
Segment assets	37,400	7,788	(3,568)	41,620
Segment liabilities	6,277	6,624	(3,579)	9,322
Capital expenditure	13	6		19
Geographical Segments				
	Total Revenue		Total PBT/(LBT)	
	Qtr Ended	Qtr Ended	Qtr Ended	Qtr Ended
	28/02/2023	28/02/2022	28/02/2023	28/02/2022
	RM'000	RM'000	RM'000	RM'000
Malaysia	6,516	-	816	(1,521)
Taiwan	1,284	2,595	(812)	(22)
	<u>7,800</u>	<u>2,595</u>	<u>4</u>	<u>(1,543)</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 28 February 2023.

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 2023.

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 profit before tax of RM0.004 million on the back of revenue of RM7.800 million.

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

	Current Qtr Ended 28/02/2023 RM'000	Preceding Qtr Ended 30/11/2022 RM'000	% Changes
Turnover	7,800	5,573	40.0%
Profit/(Loss) Before Taxation	4	(3,825)	-100.1%

The Group recorded a revenue of RM7.800 million and PBT of RM0.004 million in the current quarter as compared to a revenue of RM5.573 million and LBT of RM3.825 million in the immediate preceding quarter. This represents an increase in revenue of approximately 40.0% and a decrease in PBT of 100.1% respectively as compared to preceding quarter.

17. Commentary Of Prospects

The spike demand of the ICT products including smart phone during the COVID period has created slow demand of the ICT products in the past 9 months. Despite of the slowdown of the semiconductor market globally, the Company has experienced a steady increase in the demand of the chips for the industrial applications. The demands for Internet of Things and Artificial Intelligence for automotive, medical, computers and communication are strong. Companies are back to business as usual and investing in digitalizing and automating their operation to the next level. The Company has announced a total of RM70M of projects since November 2022 and the outlook is good for the foreseeable near future. The Group sees stronger demand in AI chips for different applications and increasingly strong demand for IOT and high precision sensor chips and power devices for various chargers. The Group is well positioned to capitalize on this growing demand.

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 2023 consist of the following :

	RM'000
Current tax expenses	-
Deferred tax expenses	-
	<hr/> <hr/>

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 19 April 2023 obtained approval from Bursa Malaysia Securities Berhad for the listing and quotation of up to 157,213,700 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 25 November 2022 ("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 Malaysia Securities Berhad.

23. Group Borrowings and Debt Securities

The Group does not have any borrowing or issued any debt securities as at 28 February 2023.

KEY ASIC BHD
(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:

	Group 28/2/2023 RM'000	Group 31/05/2022 RM'000
Total accumulated losses of Key ASIC Berhad and it's subsidiaries:		
- Realised	(38,577)	(32,191)
- Unrealised - in respect of other items of income and expense	20	(492)
Total Group accumulated losses as per consolidated accounts	<u>(38,557)</u>	<u>(32,683)</u>

The determination of realised and unrealised profits or losses is based on the Guidance 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 2023.

28. Profit/Loss Per Share

(a) Basic

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

	Individual Quarter Ended		Cumulative YTD	
	28/02/2023	28/02/2022	28/02/2023	28/02/2022
Profit After Taxation & Minority Interest (RM'000)	4	(1,543)	(5,874)	(3,628)
Weighted average number of ordinary shares in issue ('000)	<u>1,393,511</u>	<u>1,363,111</u>	<u>1,393,511</u>	<u>1,363,111</u>
Basic Earning Per Share (Sen)	<u>0.00</u>	<u>(0.11)</u>	<u>(0.42)</u>	<u>(0.27)</u>

(b) Dilutive

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

	Individual Quarter Ended		Cumulative YTD	
	28/02/2023	28/02/2022	28/02/2023	28/02/2022
Profit After Taxation & Minority Interest (RM'000)	4	(1,543)	(5,874)	(3,628)
Dilutive shares on option outstanding ('000)	<u>1,393,511</u>	<u>1,363,111</u>	<u>1,393,511</u>	<u>1,363,111</u>
Basic Earning Per Share (Sen)	<u>0.00</u>	<u>(0.11)</u>	<u>(0.42)</u>	<u>(0.27)</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 April 2023.