

**KEY ASIC BHD**  
**(Company No. 707082-M)**  
Condensed Consolidated Statements Of Comprehensive Income  
For The Period Ended 30 November 2023

	Note	Unaudited Current Qtr Ended 30/11/2023 RM'000	Unaudited Comparative Qtr Ended 30/11/2022 RM'000	Unaudited Cumulative YTD 30/11/2023 RM'000	Unaudited Cumulative YTD 30/11/2022 RM'000
Revenue		9,062	5,573	14,404	8,245
Cost of sales		(6,712)	(4,365)	(11,160)	(6,576)
<b>Gross profits</b>		<b>2,350</b>	<b>1,208</b>	<b>3,244</b>	<b>1,669</b>
Other income		274	66	401	223
<b>Total Income</b>		<b>9,336</b>	<b>5,639</b>	<b>14,805</b>	<b>8,468</b>
<b>Expenses</b>					
Administrative expenses		(727)	(754)	(1,367)	(1,710)
Selling and distribution expenses		(326)	(281)	(578)	(542)
Research and development expenses		(966)	(821)	(3,765)	(1,735)
<b>Profit/(Loss) From Operations</b>		<b>605</b>	<b>(582)</b>	<b>(2,065)</b>	<b>(2,095)</b>
Depreciation		(269)	(216)	(474)	(440)
Amortisation of Intangible Assets		(311)	(317)	(623)	(633)
<b>Profit/(Loss) Before Interest, Taxes, Impairment and ESOS Expense</b>		<b>25</b>	<b>(1,115)</b>	<b>(3,162)</b>	<b>(3,168)</b>
ESOS Expenses		-	(2,710)	-	(2,710)
<b>Profit/(Loss) before tax</b>		<b>25</b>	<b>(3,825)</b>	<b>(3,162)</b>	<b>(5,878)</b>
Profit/(Loss) before tax is stated after charging/(crediting):-					
Interest income		(134)	(64)	(261)	(132)
Depreciation and amortisation		580	553	1,097	1,073
ESOS expenses		-	2,710	-	2,710
Foreign exchange gain or loss		13	(50)	77	(108)
Income tax expense	19	-	-	-	-
<b>Profit/(Loss) for the period</b>		<b>25</b>	<b>(3,825)</b>	<b>(3,162)</b>	<b>(5,878)</b>
Foreign currency translation		(271)	(511)	(455)	(531)
<b>Total Comprehensive Profit/(Loss)</b>		<b>(246)</b>	<b>(4,336)</b>	<b>(3,617)</b>	<b>(6,409)</b>
Profit attributable to:					
Equity holders of the Company		25	(3,825)	(3,162)	(5,878)
Total comprehensive profit attributable to:					
Equity holders of the Company		(246)	(4,336)	(3,617)	(6,409)
Basic earning per share (sen)	28	0.00	(0.28)	(0.23)	(0.43)
Diluted earning per share (sen)	28	0.00	(0.28)	(0.23)	(0.43)

**The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2023 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 2023

	<b>Unaudited As At 30/11/2023 RM'000</b>	<b>Audited As At 31/05/2023 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	1,861	811
Intangible assets	8,526	9,149
Right of used asset	652	917
	11,039	10,877
<b>Current assets</b>		
Trade and other receivables	3,305	4,994
Inventories	1,190	1,891
Cash and cash equivalents	25,969	23,588
	30,464	30,473
	41,503	41,350
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	69,629	69,403
Accumulated profit / (loss)	(41,205)	(38,043)
ESOS reserve	1,898	2,003
Other reserve	(737)	(282)
	29,585	33,081
<b>Total Equity</b>		
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	10,218	6,316
Tax liabilities	10	10
Lease Liabilities - ROUA	675	935
Amount due to directors	1,015	1,008
	11,918	8,269
	11,918	8,269
<b>Total liabilities</b>		
	41,503	41,350
<b>TOTAL EQUITY AND LIABILITIES</b>		
Net Assets Per Share Attributable to Equity of Parent (RM)	0.0212	0.0243

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**KEY ASIC BHD**  
**(Company No. 707082-M)**  
Condensed Consolidated Cash Flow Statements  
For The Period Ended 30 November 2023

	<b>Unaudited 6 Months Ended 30/11/2023 RM'000</b>	<b>Audited 12 Months Ended 31/05/2023 RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit/(Loss) before taxation	(3,162)	(5,359)
Adjustments for:		
Amortisation of intangible assets	623	1,257
Depreciation of Right of used assets	224	495
Depreciation of property, plant and equipment	250	342
Foreign exchange translation	-	(72)
Exceptional items:		
Inventories written off	-	188
Reversal of impairment loss on trade receivables	-	(661)
ESOS expenses	-	2,710
Interest Expense	18	39
Interest income	(261)	(340)
Operating profit/(loss) before working capital changes	<u>(2,308)</u>	<u>(1,401)</u>
Changes in working capital:-		
(Increase) / Decrease in inventories	701	(207)
(Increase) / Decrease in receivables	1,689	(2,355)
Increase/(Decrease) in payables	3,902	2,455
Cash used in operations	<u>3,984</u>	<u>(1,508)</u>
Interest Paid	(18)	(39)
Interest received	261	340
Tax refund / (paid)	-	(1)
Net cash flow used in operating activities	<u>4,227</u>	<u>(1,208)</u>
<b>Cash Flow From Investing Activities</b>		
Purchase of property, plant & equipment	(1,334)	(86)
Advance to a related party	-	(4)
Net cash used in investing activities	<u>(1,334)</u>	<u>(90)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares		
- pursuant to exercise of ESOS	121	812
Repayment of Lease Liabilities	(269)	(484)
Advances from a director	7	95
Net cash generated from financing activities	<u>(141)</u>	<u>423</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	2,752	(875)
<b>Effects of changes in exchange rates</b>	(371)	385
<b>Cash and cash equivalents as at 1 June</b>	23,588	24,078
<b>Cash and cash equivalents as at end of the financial period</b>	<u>25,969</u>	<u>23,588</u>

**The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2023 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 2023  
(The figures have not been audited)

|<----- **Attributable to Equity Holders of the Parent** ----->|

	<b>Share Capital</b>	<b>----- Non Distributable ESOS Reserves</b>	<b>Other Reserves</b>	<b>(Accumulated Loss)</b>	<b>Total</b>	<b>Non-Controlling Interest</b>	<b>Total Equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 June 2023</b>	69,403	2,003	(282)	(38,043)	33,081	-	33,081
Total Comprehensive Profit/(Loss)	-	-	(455)	(3,162)	(3,617)	-	(3,617)
Issuance of shares	-	-	-	-	-	-	-
Share option granted under ESOS	226	(105)	-	-	121	-	121
Lapsed share options	-	-	-	-	-	-	-
<b>At 30 November 2023 (Unaudited)</b>	<b>69,629</b>	<b>1,898</b>	<b>(737)</b>	<b>(41,205)</b>	<b>29,585</b>	<b>-</b>	<b>29,585</b>

**The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2023 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 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 2023. 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 2023.

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 2023, except for the adoption of new/revised MFRSs that are effective 1 June 2023. 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 2023 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 2023</b>				
<b>Segment Revenue</b>				
Sales	3,098	6,617	(653)	9,062
<b>Segment PBT</b>				
Profit/(Loss) before tax	(955)	695	11	(249)
Other income				274
Profit before tax				<u>25</u>
Depreciation	98	171	-	269
Non cash expenses other than depreciation	310	1	-	311
<b>Cumulative YTD ended 30 November 2023</b>				
<b>Segment Revenue</b>				
Sales	3,098	11,961	(655)	14,404
<b>Segment LBT</b>				
Profit/(Loss) before tax	(4,306)	732	11	(3,563)
Other income				401
Profit before tax				<u>(3,162)</u>
Depreciation	196	278	-	474
Non cash expenses other than depreciation	621	2	-	623
Segment assets	38,506	13,714	(10,717)	41,503
Segment liabilities	8,654	13,881	(10,617)	11,918
Capital expenditure	13	1,321		1,334
<b>Geographical Segments</b>				
	<b>Total Revenue Qtr Ended</b>		<b>Total PBT/(LBT) Qtr Ended</b>	
	<b>30/11/2023 RM'000</b>	<b>30/11/2022 RM'000</b>	<b>30/11/2023 RM'000</b>	<b>30/11/2022 RM'000</b>
Malaysia	8,092	901	867	(3,999)
Taiwan	970	4,672	(842)	174
	<u>9,062</u>	<u>5,573</u>	<u>25</u>	<u>(3,825)</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 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 30 November 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 RM0.025 million on the back of revenue of RM9.062 million.

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

	<b>Current Qtr Ended 30/11/2023 RM'000</b>	<b>Preceding Qtr Ended 31/08/2023 RM'000</b>	<b>% Changes</b>
Turnover	9,062	5,342	69.6%
Profit/(Loss) Before Taxation	25	(3,187)	-100.8%

The Group recorded a revenue of RM9.062 million and PBT of RM0.025 million in the current quarter as compared to a revenue of RM5.342 million and LBT of RM3.187 million in the immediate preceding quarter. This represents a increase in revenue of approximately 69.6% and a decrease in PBT of 100.8% respectively as compared to preceding quarter.

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**17. Commentary Of Prospects**

Q2 revenue has achieved growth of more than 70% over Q1 revenue, indicating strong growth of the Group's business. Meanwhile, the Group has increased its R&D investment/expenses to develop IPs needed in the advance process technologies to continuously build the next level of business. The consumer electronic ASIC customers have started to place orders indicating the recovery of this market segment. The industrial ASIC market continues to grow in 28nm and below process technologies. The Group is currently engaged in the development of the next generation of AI chip in advance process technology. The team led by Mr. Eg, the Chairman has an AI paper published in Multimedia Tools and Applications Journal, a Q1 level journal, a recognition of the world class quality work the team has performed. The Group will release the AI products in medical applications in the near future.

**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 2023 consist of the following :

	<b>RM'000</b>
Current tax expenses	-
Deferred tax expenses	-
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**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.

Bursa Malaysia Securities Berhad had, vide its letter dated 4 October 2023, granted the Company approval for a further extension of time of six month from 19 October 2023 to 18 April 2024 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 2023.

**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.

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**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 30/11/2023 RM'000</b>	<b>Group 31/05/2023 RM'000</b>
Total accumulated losses of Key ASIC Berhad and its subsidiaries:		
- Realised	(40,911)	(38,115)
- Unrealised - in respect of other items of income and expense	(294)	72
Total Group accumulated losses as per consolidated accounts	<u>(41,205)</u>	<u>(38,043)</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 30 November 2023.

**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>30/11/2023</b>	<b>30/11/2022</b>	<b>30/11/2023</b>	<b>30/11/2022</b>
Profit After Taxation & Minority Interest (RM'000)	25	(3,825)	(3,162)	(5,878)
Weighted average number of ordinary shares in issue ('000)	1,398,061	1,364,911	1,398,061	1,364,911
Basic Earning Per Share (Sen)	<u>0.00</u>	<u>(0.28)</u>	<u>(0.23)</u>	<u>(0.43)</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>30/11/2023</b>	<b>30/11/2022</b>	<b>30/11/2023</b>	<b>30/11/2022</b>
Profit After Taxation & Minority Interest (RM'000)	25	(3,825)	(3,162)	(5,878)
Dilutive shares on option outstanding ('000)	1,398,061	1,364,911	1,398,061	1,364,911
Basic Earning Per Share (Sen)	<u>0.00</u>	<u>(0.28)</u>	<u>(0.23)</u>	<u>(0.43)</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 30 January 2024.