

**KEY ASIC BHD**  
**(Company No. 707082-M)**  
Condensed Consolidated Statements Of Comprehensive Income  
For The Period Ended 29 February 2024

	Note	Unaudited Current Qtr Ended 29/02/2024 RM'000	Unaudited Comparative Qtr Ended 28/02/2023 RM'000	Unaudited Cumulative YTD 29/02/2024 RM'000	Unaudited Cumulative YTD 28/02/2023 RM'000
Revenue		5,280	7,800	19,684	16,045
Cost of sales		(4,514)	(5,282)	(15,674)	(11,858)
<b>Gross profits</b>		<b>766</b>	<b>2,518</b>	<b>4,010</b>	<b>4,187</b>
Other income		114	732	515	955
<b>Total Income</b>		<b>5,394</b>	<b>8,532</b>	<b>20,199</b>	<b>17,000</b>
<b>Expenses</b>					
Administrative expenses		(729)	(1,048)	(2,097)	(2,758)
Selling and distribution expenses		(461)	(319)	(1,039)	(861)
Research and development expenses		(1,569)	(1,368)	(5,334)	(3,103)
<b>Profit/(Loss) From Operations</b>		<b>(1,879)</b>	<b>515</b>	<b>(3,945)</b>	<b>(1,580)</b>
Depreciation		(275)	(198)	(749)	(638)
Amortisation of Intangible Assets		(312)	(313)	(935)	(946)
<b>Profit/(Loss) Before Interest, Taxes, Impairment and ESOS Expense</b>		<b>(2,466)</b>	<b>4</b>	<b>(5,629)</b>	<b>(3,164)</b>
ESOS Expenses		(255)	-	(255)	(2,710)
<b>Profit/(Loss) before tax</b>		<b>(2,721)</b>	<b>4</b>	<b>(5,884)</b>	<b>(5,874)</b>
Profit/(Loss) before tax is stated after charging/(crediting):-					
Interest income		(114)	(88)	(375)	(220)
Depreciation and amortisation		587	511	1,684	1,584
Reversal of impairment loss on trade receivables		-	(618)	-	(618)
R&D outsourcing fee		-	-	1,537	-
Payroll related		1,693	1,321	4,542	3,278
EDA Tools Charges		406	392	1,197	1,158
Foreign exchange gain or loss		(73)	191	4	84
Income tax expense	19	-	-	-	-
<b>Profit/(Loss) for the period</b>		<b>(2,721)</b>	<b>4</b>	<b>(5,884)</b>	<b>(5,874)</b>
Foreign currency translation		108	292	(347)	(240)
<b>Total Comprehensive Profit/(Loss)</b>		<b>(2,613)</b>	<b>296</b>	<b>(6,231)</b>	<b>(6,114)</b>
Profit attributable to:					
Equity holders of the Company		(2,721)	4	(5,884)	(5,874)
Total comprehensive profit attributable to:					
Equity holders of the Company		(2,613)	296	(6,231)	(6,114)
Basic earning per share (sen)	28	(0.19)	0.00	(0.42)	(0.42)
Diluted earning per share (sen)	28	(0.19)	0.00	(0.42)	(0.42)

**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 29 February 2024

	<b>Unaudited As At 29/02/2024 RM'000</b>	<b>Audited As At 31/05/2023 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	1,750	811
Intangible assets	8,214	9,149
Right of used asset	531	917
	10,495	10,877
<b>Current assets</b>		
Trade and other receivables	5,779	4,994
Inventories	1,029	1,891
Cash and cash equivalents	19,370	23,588
	26,178	30,473
	36,673	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)	(43,927)	(38,043)
ESOS reserve	2,153	2,003
Other reserve	(629)	(282)
	27,226	33,081
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	7,857	6,316
Tax liabilities	10	10
Lease Liabilities - ROUA	555	935
Amount due to directors	1,025	1,008
	9,447	8,269
	9,447	8,269
<b>Total liabilities</b>		
	36,673	41,350
<b>TOTAL EQUITY AND LIABILITIES</b>		
Net Assets Per Share Attributable to Equity of Parent (RM)	0.0195	0.0243

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**KEY ASIC BHD**  
**(Company No. 707082-M)**  
Condensed Consolidated Cash Flow Statements  
For The Period Ended 29 February 2024

	<b>Unaudited 9 Months Ended 29/02/2024 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	(5,884)	(5,359)
Adjustments for:		
Amortisation of intangible assets	935	1,257
Depreciation of Right of used assets	372	495
Depreciation of property, plant and equipment	377	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	25	39
Interest income	(375)	(340)
Operating profit/(loss) before working capital changes	<u>(4,550)</u>	<u>(1,401)</u>
Changes in working capital:-		
(Increase) / Decrease in inventories	862	(207)
(Increase) / Decrease in receivables	(785)	(2,355)
Increase/(Decrease) in payables	1,541	2,455
Cash used in operations	<u>(2,932)</u>	<u>(1,508)</u>
Interest Paid	(25)	(39)
Interest received	375	340
Tax refund / (paid)	-	(1)
Net cash flow used in operating activities	<u>(2,582)</u>	<u>(1,208)</u>
<b>Cash Flow From Investing Activities</b>		
Purchase of property, plant & equipment	(1,361)	(86)
Advance to a related party	-	(4)
Net cash used in investing activities	<u>(1,361)</u>	<u>(90)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares		
- pursuant to exercise of ESOS	376	812
Repayment of Lease Liabilities	(409)	(484)
Advances from a director	17	95
Net cash generated from financing activities	<u>(16)</u>	<u>423</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(3,959)	(875)
<b>Effects of changes in exchange rates</b>	(259)	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>19,370</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 29 February 2024  
(The figures have not been audited)

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

----- **Non Distributable** -----

	<b>Share Capital</b>	<b>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)	-	-	(347)	(5,884)	(6,231)	-	(6,231)
Issuance of shares	-	-	-	-	-	-	-
Share option granted under ESOS	226	150	-	-	376	-	376
Lapsed share options	-	-	-	-	-	-	-
<b>At 29 February 2024 (Unaudited)</b>	<b>69,629</b>	<b>2,153</b>	<b>(629)</b>	<b>(43,927)</b>	<b>27,226</b>	<b>-</b>	<b>27,226</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.**

**Part A - Explanatory Notes Pursuant to FRS 134**

**1. Basis of Preparation**

The quarterly financial report ended 29 February 2024 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**

**Business Segments**

	<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 29 February 2024</b>				
<b>Segment Revenue</b>				
Sales	5,932	755	(1,407)	5,280
<b>Segment PBT</b>				
Profit/(Loss) before tax	(4,144)	1,303	6	(2,835)
Other income				114
Profit before tax				<u>(2,721)</u>
Depreciation	98	177	-	275
Non cash expenses other than depreciation	311	1	-	312

	<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>Cumulative YTD ended 29 February 2024</b>				
<b>Segment Revenue</b>				
Sales	9,030	12,716	(2,062)	19,684
<b>Segment LBT</b>				
Profit/(Loss) before tax	(8,450)	2,034	17	(6,399)
Other income				515
Profit before tax				<u>(5,884)</u>
Depreciation	294	455	-	749
Non cash expenses other than depreciation	933	2	-	935
Segment assets	38,635	8,910	(10,872)	36,673
Segment liabilities	9,942	10,346	(10,841)	9,447
Capital expenditure	14	1,347		1,361

**Geographical Segments**

	<b>Total Revenue</b>		<b>Total PBT/(LBT)</b>	
	<b>Qtr Ended 29/02/2024 RM'000</b>	<b>28/02/2023 RM'000</b>	<b>Qtr Ended 29/02/2024 RM'000</b>	<b>28/02/2023 RM'000</b>
Malaysia	4,525	6,516	(2,328)	816
Taiwan	755	1,284	(393)	(812)
	<u>5,280</u>	<u>7,800</u>	<u>(2,721)</u>	<u>4</u>

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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 29 February 2024.

**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 29 February 2024.

**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 RM2.721 million on the back of revenue of RM5.280 million.

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

	<b>Current Qtr Ended 29/02/2024 RM'000</b>	<b>Preceding Qtr Ended 30/11/2023 RM'000</b>	<b>% Changes</b>
Turnover	5,280	9,062	-41.7%
Profit/(Loss) Before Taxation	(2,721)	25	-10984.0%

The Group recorded a revenue of RM5.280 million and LBT of RM2.721 million in the current quarter as compared to a revenue of RM9.062 million and PBT of RM0.025 million in the immediate preceding quarter. This represents a decrease in revenue of approximately 41.7% and a decrease in PBT of 10984% respectively as compared to preceding quarter.

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**17. Commentary Of Prospects**

Despite of significant backlog, Q3 revenue is lower due to lack of capacity and delayed shipment within the quarter. Overflow delivery is expected to realize in Q4. There is significant orders of consumer chips in Q3 indicates the demand of consumer electronics is on the rise after 3 years of slow down, which is the typical product life cycle of consumer electronics. There is a healthy pipeline of 28nm and advance technologies projects for enterprise market and revenue from higher NRE is expected to contribute significantly to the revenue in the next few quarters. There are contracts signed for AI products and it is expected to generate sizable revenue 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 29 February 2024 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 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 18 April 2024, granted the Company approval for a further extension of time of six month from 19 April 2024 to 18 October 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 29 February 2024.

**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 29/02/2024 RM'000</b>	<b>Group 31/05/2023 RM'000</b>
Total accumulated losses of Key ASIC Berhad and it's subsidiaries:		
- Realised	(43,473)	(38,115)
- Unrealised - in respect of other items of income and expense	(454)	72
Total Group accumulated losses as per consolidated accounts	<u>(43,927)</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 29 February 2024.

**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>29/02/2024</b>	<b>28/02/2023</b>	<b>29/02/2024</b>	<b>28/02/2023</b>
Profit After Taxation & Minority Interest (RM'000)	(2,721)	4	(5,884)	(5,874)
Weighted average number of ordinary shares in issue ('000)	1,398,061	1,393,511	1,398,061	1,393,511
Basic Earning Per Share (Sen)	<u>(0.19)</u>	<u>0.00</u>	<u>(0.42)</u>	<u>(0.42)</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>29/02/2024</b>	<b>28/02/2023</b>	<b>29/02/2024</b>	<b>28/02/2023</b>
Profit After Taxation & Minority Interest (RM'000)	(2,721)	4	(5,884)	(5,874)
Dilutive shares on option outstanding ('000)	1,398,061	1,393,511	1,398,061	1,393,511
Basic Earning Per Share (Sen)	<u>(0.19)</u>	<u>0.00</u>	<u>(0.42)</u>	<u>(0.42)</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 24 April 2024.