

KEY ASIC BHD
(Company No. 707082-M)
Condensed Consolidated Statements Of Comprehensive Income
For The Period Ended 30 November 2024

Note	Unaudited Current Qtr Ended 30/11/2024 RM'000	Unaudited Comparative Qtr Ended 30/11/2023 RM'000	Unaudited Cumulative YTD 30/11/2024 RM'000	Unaudited Cumulative YTD 30/11/2023 RM'000
Revenue	2,096	9,062	5,877	14,404
Cost of sales	(1,801)	(6,712)	(4,491)	(11,160)
Gross profits	295	2,350	1,386	3,244
Other income	67	274	695	401
Total Income	2,163	9,336	6,572	14,805
Expenses				
Administrative expenses	(1,031)	(727)	(1,624)	(1,367)
Selling and distribution expenses	(482)	(326)	(974)	(578)
Research and development expenses	(1,562)	(966)	(3,081)	(3,765)
Profit/(Loss) From Operations	(2,713)	605	(3,598)	(2,065)
Depreciation	(252)	(269)	(475)	(474)
Amortisation of Intangible Assets	(172)	(311)	(344)	(623)
Profit/(Loss) Before Interest, Taxes, Impairment and ESOS Expense	(3,137)	25	(4,417)	(3,162)
ESOS Expenses	(127)	-	(127)	-
Profit/(Loss) before tax	(3,264)	25	(4,544)	(3,162)
Profit/(Loss) before tax is stated after charging/(crediting):-				
Interest income	(67)	(134)	(162)	(261)
Depreciation and amortisation	424	580	819	1,097
R&D outsourcing fee	411	-	411	-
Payroll related	1,510	1,526	3,192	2,848
EDA Tools Charges	417	395	834	791
Foreign exchange gain or loss	(17)	13	4	77
ESOS Expenses	127	-	127	-
Profit/(Loss) for the period	(3,264)	25	(4,544)	(3,162)
Foreign currency translation	129	(271)	(510)	(455)
Total Comprehensive Profit/(Loss)	(3,135)	(246)	(5,054)	(3,617)
Profit attributable to:				
Equity holders of the Company	(3,264)	25	(4,544)	(3,162)
Total comprehensive profit attributable to:				
Equity holders of the Company	(3,135)	(246)	(5,054)	(3,617)
Basic earning per share (sen)	28	(0.23)	0.00	(0.23)
Diluted earning per share (sen)	28	(0.23)	0.00	(0.23)

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2024 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 2024

	Unaudited As At 30/11/2024 RM'000	Audited As At 31/05/2024 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	1,321	1,640
Intangible assets	7,638	7,988
Right of use assets	156	405
	9,115	10,033
Current assets		
Trade and other receivables	5,251	5,476
Inventories	612	1,126
Cash and cash equivalents	13,589	17,240
	19,452	23,842
	28,567	33,875
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	69,719	69,629
Accumulated profit / (loss)	(53,318)	(48,774)
ESOS reserve	3,834	3,749
Other reserve	(510)	(329)
	19,725	24,275
LIABILITIES		
Current liabilities		
Trade and other payables	7,582	8,081
Lease Liabilities - ROUA	170	429
Amount due to directors	1,090	1,090
	8,842	9,600
	8,842	9,600
TOTAL EQUITY AND LIABILITIES		
	28,567	33,875
Net Assets Per Share Attributable to Equity of Parent (RM)	0.0141	0.0174

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KEY ASIC BHD
(Company No. 707082-M)
Condensed Consolidated Cash Flow Statements
For The Period Ended 30 November 2024

	Unaudited 6 Months Ended 30/11/2024 RM'000	Audited 12 Months Ended 31/05/2024 RM'000
Cash Flow From Operating Activities		
Profit/(Loss) before taxation	(4,544)	(10,775)
Adjustments for:		
Amortisation of intangible assets	344	1,248
Depreciation of Right of use assets	173	501
Depreciation of property, plant and equipment	302	510
Foreign exchange translation	-	(230)
Inventories written off	-	178
Impairment loss on trade receivables	-	36
Reversal of impairment loss on trade receivables	-	(14)
ESOS expenses	-	1,890
Interest Expense	-	31
Interest income	-	(456)
Operating profit/(loss) before working capital changes	<u>(3,725)</u>	<u>(7,081)</u>
Changes in working capital:-		
(Increase) / Decrease in inventories	514	588
(Increase) / Decrease in receivables	225	(433)
Increase/(Decrease) in payables	(499)	1,736
Cash used in operations	<u>(3,485)</u>	<u>(5,190)</u>
Interest Paid	-	(31)
Interest received	-	456
Tax refund / (paid)	-	(7)
Net cash flow used in operating activities	<u>(3,485)</u>	<u>(4,772)</u>
Cash Flow From Investing Activities		
Purchase of property, plant & equipment	(10)	(1,351)
Purchase of intangible assets	-	(86)
Advance to a related party	-	(70)
Net cash used in investing activities	<u>(10)</u>	<u>(1,507)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares		
- pursuant to exercise of ESOS	175	122
Repayment of Lease Liabilities	(262)	(496)
Advances from a director	-	82
Net cash generated from financing activities	<u>(87)</u>	<u>(292)</u>
Net (decrease)/increase in cash and cash equivalents	(3,582)	(6,571)
Effects of changes in exchange rates	(69)	223
Cash and cash equivalents as at 1 June	17,240	23,588
Cash and cash equivalents as at end of the financial period	<u>13,589</u>	<u>17,240</u>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2024 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 2024
(The figures have not been audited)

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

	Share Capital	----- Non Distributable ESOS Reserves	Other Reserves	(Accumulated Loss)	Total	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 June 2024	69,629	3,749	(329)	(48,774)	24,275	-	24,275
Total Comprehensive Profit/(Loss)	-		(181)	(4,544)	(4,725)	-	(4,725)
Issuance of shares - pursuant to exercise of ESOS	90	85			175		175
At 30 November 2024 (Unaudited)	69,719	3,834	(510)	(53,318)	19,725	-	19,725

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2024 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 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 2024. 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 2024.

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 2024, except for the adoption of new/revised MFRSs that are effective 1 June 2024. 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 2024 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 30 November 2024				
Segment Revenue				
Sales	2,315	1,689	(1,908)	2,096
Segment PBT				
Profit/(Loss) before tax	(5,011)	1,669	11	(3,331)
Other income				67
Profit before tax				<u>(3,264)</u>
Depreciation	80	172	-	252
Non cash expenses other than depreciation	171	1	-	172
Cumulative YTD ended 30 November 2024				
Segment Revenue				
Sales	2,860	5,434	(2,417)	5,877
Segment LBT				
Profit/(Loss) before tax	(7,685)	2,428	18	(5,239)
Other income				695
Profit before tax				<u>(4,544)</u>
Depreciation	161	314	-	475
Non cash expenses other than depreciation	342	2	-	344
Segment assets	30,474	8,485	(10,392)	28,567
Segment liabilities	10,290	9,005	(10,453)	8,842
Capital expenditure	-	10		10
Geographical Segments				
	Total Revenue Otr Ended		Total PBT/(LBT) Otr Ended	
	30/11/2024	30/11/2023	30/11/2024	30/11/2023
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,533	8,092	(3,436)	867
Taiwan	563	970	172	(842)
	<u>2,096</u>	<u>9,062</u>	<u>(3,264)</u>	<u>25</u>

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 2024.

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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 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 RM3.264 million on the back of revenue of RM2.096 million.

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

	Current Qtr Ended 30/11/2024 RM'000	Preceding Qtr Ended 31/08/2024 RM'000	% Changes
Turnover	2,096	3,781	-44.6%
Profit/(Loss) Before Taxation	(3,264)	(1,280)	155.0%

The Group recorded a revenue of RM2.096 million and LBT of RM3.264 million in the current quarter as compared to a revenue of RM3.781 million and LBT of RM1.280 million in the immediate preceding quarter. This represents a decrease in revenue of approximately 44.6% and an increase in LBT of 155.0% respectively as compared to preceding quarter.

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17. Commentary Of Prospects

Consumer electronics semiconductor was not as strong as forecasted last quarter, largely due to the softness of the global economy. Sales of electronic gadgets remains weak in the past quarter and it is expected to grow in the next few quarters as indicated by growing number of the repeated orders in the past couple of months. For the enterprise and industrial markets, the pipeline remains strong and we expect to ink a few projects soon. AI, netowking and communication are the fast growing sectors. IOT chips for medical devices are another sector of fast growing due to the growth of the digital health market.

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 2024 consist of the following :

	RM'000
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

Private Placement

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.

The Private Placement was lapsed on 18 October 2024.

Proposed Capital Reduction

On 10 October 2024, the Company announced to undertake a proposed share capital reduction. The Proposed Share Capital Reduction entails the reduction of the Company's issued share capital pursuant to Section 117 of the Act via the cancellation of the Company's issued share capital of RM50,000,000. The corresponding credit of RM50,000,000 arising from such cancellation will be used to set-off the accumulated losses of the Company, while the remaining balance will be credited to the retained earnings of the Company which shall be used in a manner to be determined by the Board at a later date and in the best interest of the Company, as permitted by the relevant and applicable laws as well as the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing

The Company has obtained shareholders' approval for the Proposed Capital Reduction at the Extraordinary General Meeting ("EGM") held on 18 November 2024.

The Notice of Proposed Reduction of Share Capital under Section 117(1) and (4) of the Companies Act 2016 and the Notice of Reduction of Share Capital pursuant to Section 119(1) of the Companies Act 2016 have been submitted to the Registrar of Companies.

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23. Group Borrowings and Debt Securities

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

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 30/11/2024 RM'000	Group 31/05/2024 RM'000
Total accumulated losses of Key ASIC Berhad and it's subsidiaries:		
- Realised	(52,889)	(49,004)
- Unrealised - in respect of other items of income and expense	(429)	230
Total Group accumulated losses as per consolidated accounts	<u>(53,318)</u>	<u>(48,774)</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 2024.

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	
	30/11/2024	30/11/2023	30/11/2024	30/11/2023
Profit After Taxation & Minority Interest (RM'000)	(3,264)	25	(4,544)	(3,162)
Weighted average number of ordinary shares in issue ('000)	1,399,862	1,393,511	1,399,862	1,393,511
Basic Earning Per Share (Sen)	<u>(0.23)</u>	<u>0.00</u>	<u>(0.32)</u>	<u>(0.23)</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	
	30/11/2024	30/11/2023	30/11/2024	30/11/2023
Profit After Taxation & Minority Interest (RM'000)	(3,264)	25	(4,544)	(3,162)
Dilutive shares on option outstanding ('000)	1,398,061	1,393,511	1,398,061	1,393,511
Basic Earning Per Share (Sen)	<u>(0.23)</u>	<u>0.00</u>	<u>(0.33)</u>	<u>(0.23)</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 22 January 2025.