



FOR IMMEDIATE RELEASE

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KEY ASIC ACQUIRES GATEWAY SILICON INC. - AN ASIC DESIGN COMPANY IN TAIWAN

(Kuala Lumpur, Santa Clara, August 18, 2009) Key ASIC Berhad (Stock Code: 0143) has announced today that it has signed agreements with the shareholders of Gateway Silicon, Inc. (GSI) to acquire up to 100% of the company in cash. GSI is a subsidiary of Macronix International, Co. Ltd, one of the largest semiconductor groups in Taiwan. The company is valued at approximately NT171M (USD5.3M or RM18.5M) for 100%.

Gateway Silicon Inc. is one of the spin off subsidiaries of Macronix International Co. Limited 3 years ago when Macronix restructured the Group into a few fabless IC design companies to focus on various sectors of the market. GSI was spun-off to focus on ASIC design, providing ASIC/SoC design to the Group and customers in Taiwan and Japan. Chartered Semiconductor, the world's third largest open foundry based in Singapore is the second largest shareholders of GSI. GSI uses Chartered Semiconductor as foundry partners in addition to TSMC, and Tower. The Headquarters is based in Hsin Chu Science Park, the Silicon Valley of Taiwan, with an office in Japan and China. Macronix International Co. Limited is the world largest manufacturer of ROM products and the company provides a wide range of Parallel and Serial NOR Flash products of varies density. The Group has revenue exceeding USD700M.

GSI has built a significant pool of Analog IPs and Memory blocks among other IPs. However, the company has strong expertise in graphic and video IP and this will allow the combined entity to have a stronger and more complete offering in the graphic and video applications.

Key ASIC is a leading ASIC design company with focus on communication and consumer electronics applications. Listed in Bursa Malaysia, it is largely owned by leading industry players from Taiwan and 21% owned by Khazanah, the

sovereign fund of Malaysia. It has Silterra as its foundry partner for 0.18um to 0.11um designs and IBM Microelectronics as its foundry partner for advance process technologies from 65nm to 32nm.

Moving forward, the Company will continue its current business strategy with strong focus on advance process technologies and continue to build IPs and platforms in video, graphics and networking areas in addition to its current communication and consumer electronics applications.

“Key ASIC is a leading player in the ASIC design industry. We are pleased to merge with Key ASIC to build a bigger and stronger company that will enable all of us to play a more significant role in the ASIC design business. Key ASIC has very strong design experience in advanced technologies such as 65nm and 45nm and this will be a big value add to GSI’s existing customer base,” said J. P. Peng, CEO of GSI. “We have built up a very rich portfolio of Analog IP blocks and also a very strong Analog circuit design team that will be a value asset to the combined entity,” he added.

“We share the same vision with the key shareholders and management team of GSI in building a strong ASIC design business with consumer and communication globally. Both companies are synergistic and complimentary in areas of technologies, customer base and people. This merger will enable us to have more resources and technologies to better support our customers,” said Eg Kah Yee, Chairman of Key ASIC. “This strategic exercise is in line with the growth plan of both companies,” he added.

With the acquisition, Key ASIC will expand deeper into Taiwan market and the Japan market. The merger will enhance the revenue plan of Key ASIC and it is expected to bring higher growth of the Company in 2010 and beyond. In addition to organic growth, Key ASIC plans to accelerate its growth through continuous M&A of synergistic companies.

About the Companies:

Key ASIC Berhad, Malaysia

Key ASIC (Stock Code: 0143) is currently a public listed company on Mainboard of Bursa Malaysia. It specializes on turnkey ASIC design with IP and SoC platforms in consumer electronics and communication applications. Its customers are largely in the US and Asia. It has offices in Malaysia, Taiwan, and U.S.

Gateway Silicon, Inc. Taiwan

Gateway Silicon Inc. (GSI), a professional IC design service company founded in August 2006 at Hsin Chu Science Park, Taiwan. GSI focuses on research and development of analog IP/digital IP for consumer ICs, provides services in SOC implementation and IC turnkey realization. Through GSI’s proprietary platform solutions, competitive wafer package and integrated turnkey service, customers are able to benefit the time to market and good quality IC products from conceptual design, system verification to mass production. GSI has offices in Taiwan and Japan.

Q & A

1. How many people are they in GSI?

There are 60+ people at GSI. They are very experience engineers and designers since they were spinoff from Macronix.

2. Who are some of GSI's customers?

GSI's customers are largely in Taiwan, Japan and US. Macronix's group of companies is some of its customers.

3. What is the total number of employees of the combined entity?

It is 120+ employees.

4. What is the strategy moving forward after the acquisition?

The strategy moving forward is to make deeper penetration in Taiwan and Japan market with special focus on advance process technology.

5. Are the IPs and platforms from Key ASIC made available now to GSI's customers and vice versa?

We will make product lines from both companies as a single product line available to customers from both companies. This allows us to make a more complete offering to our customer base.

