

keyASIC

KEY ASIC BERHAD

200501024949 (707082-M)



*Digitalizing the world
with Artificial Intelligence*

2025

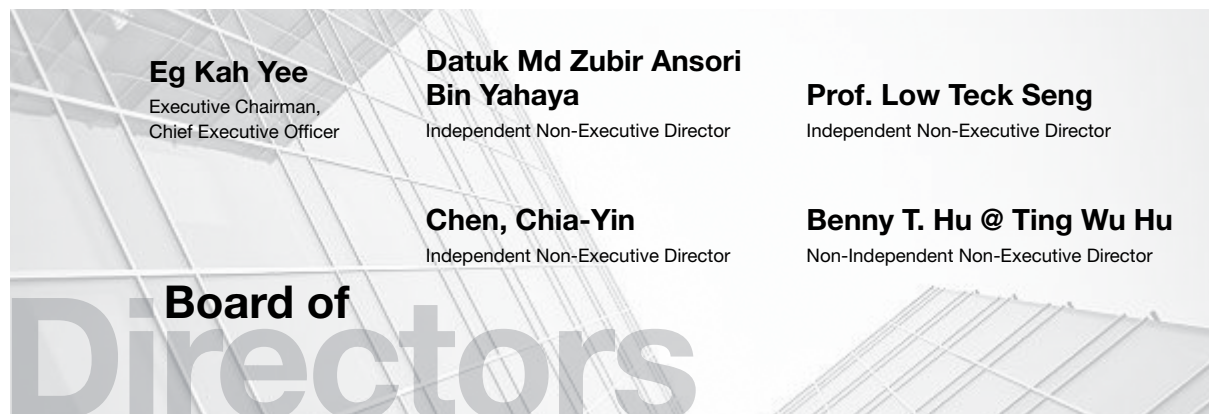
ANNUAL REPORT

TABLE OF CONTENTS

2	Corporate Information	41	Statement on Risk Management and Internal Control	66	Statements of Changes in Equity
3	Board of Directors and Key Senior Management's Profile			69	Statements of Cash Flows
9	Chairman's Statement	45	Additional Compliance Information	72	Notes to the Financial Statements
11	Management Discussion and Analysis	48	Directors' Report	127	Shareholding Statistics
13	Audit Committee Report	55	Statement by Directors	130	Notice of Twentieth Annual General Meeting
16	Corporate Governance Overview Statement	56	Statutory Declaration	136	Statement Accompanying Notice of Annual General Meeting
30	Statement on Directors' Responsibility	57	Independent Auditors' Report to the Members	137	Administrative Guide for the Twentieth Annual General Meeting
31	Sustainability Statement	62	Statements of Profit or Loss and other Comprehensive Income		Proxy Form Enclosed
		64	Statements of Financial Position		



CORPORATE INFORMATION



➤ Audit Committee

Datuk Md Zubir Ansori Bin Yahaya
Chairman

Chen, Chia-Yin
Member

Benny T. Hu @ Ting Wu Hu
Member

➤ Nomination Committee

Datuk Md Zubir Ansori Bin Yahaya
Chairman

Chen, Chia-Yin
Member

Benny T. Hu @ Ting Wu Hu
Member

➤ Remuneration Committee

Prof. Low Teck Seng
Chairman

Chen, Chia-Yin
Member

➤ Company Secretaries

Nur Shahfaiza Binti Md Yusoff
(SSM PC No. 202008000953)
(MAICSA 7052006)

Elizabeth Allison De Silva
(SSM PC No. 202008002112)
(MAICSA 7030086)

➤ Registered Office

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel: 03-2783 9191
Fax: 03-2783 9111
Email: info@vistra.com

➤ Business Address

6th Floor, Unit 3
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Tel: 03-7664 3300
Fax: 03-7664 3301

➤ Share Registrar

Tricor Investor & Issuing House
Services Sdn. Bhd.
Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel: 03-2783 9299
Fax: 03-2783 9222
Email: is.enquiry@vistra.com

➤ Stock Exchange Listing

Bursa Malaysia Securities Berhad
(Main Market)
Stock Name: KEYASIC
Stock Code: 0143

➤ Corporate Solicitor

Rajah, Lau & Associates
B-13-13, Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: 03-2710 5587
Fax: 03-2710 5589

➤ Auditors

Morison LC PLT
(LLP0032572-LCA & AF 002469)
Level 11-01, Uptown,
No.3, Jalan SS21/39,
Damansara Utama,
47400 Petaling Jaya, Selangor
Tel: 03-7660 9380

➤ Principal Bankers

United Overseas Bank (Malaysia) Bhd
Public Bank Berhad

➤ Corporate Website

www.keyasic.com

BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT'S PROFILE

Eg Kah Yee

Executive Chairman, Chief Executive Officer

Malaysian Male Aged 65

Eg Kah Yee was appointed to the Board of Directors of Key ASIC Berhad ("**Key ASIC**" or "**Company**") as a Non-Independent Non-Executive Chairman on 15 June 2006. He was redesignated as the Chief Executive Officer on 30 October 2014. He graduated with Bachelor of Computer Science degree from West Virginia University, USA in 1983. He started his career as a research and development ("**R&D**") Engineer with Phoenix Data Systems Inc., Santa Clara, California, USA, before joining Daisy Systems Corporation ("**Daisy**"), a company listed on the NASDAQ Market and a pioneer in computer aided engineering in electronic designs, as R&D Project Manager.

While he was in Daisy, he assumed various positions such as Regional Technical Director, Country Manager (Taiwan) and Director of North Asia Region. In 1990, he joined Synopsys Inc., a company listed on the NASDAQ Market, which pioneered the high level design for Application Specific Integrated Circuit and Very-large-scale Integration, as Regional Manager for South Asia Pacific Operations and was subsequently promoted as General Manager for Asia Pacific Operations in 1992. He left Synopsys Inc. in 1996 and founded Palette Multimedia Berhad (now known as UCrest Berhad) in 1997 and has been the Chairman/Managing Director since then. Currently, he also sits on the Board of Directors of UCrest Berhad and various private limited companies. He is the Chairman of the Sustainability Committee of Key ASIC. He has attended all Board meetings held during the financial year ended 31 May 2025.

Save as disclosed, Mr Eg Kah Yee does not hold any directorship in other public companies and listed issuers.

He is a Major Shareholder of Key ASIC through Key ASIC Limited. He does not have any family relationship with any other Director and/or Major Shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries except that he shall be deemed interested in the recurrent related party transactions of a revenue or trading nature to be entered into with the related parties pursuant to the shareholders' mandate obtained at the Annual General Meeting by virtue of the nature of interest as disclosed in the Circular to Shareholders dated 30 September 2025⁽¹⁾. He has no conviction for offences (other than traffic offences) within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Note:

⁽¹⁾ Please refer to the Circular to Shareholders dated 30 September 2025 for the information on the recurrent related party transactions.

Board of Directors and
Key Senior Management's Profile
(cont'd)

Benny T. Hu @ Ting Wu Hu

Non-Independent Non-Executive Director

Taiwanese Male Aged 76

Benny T. Hu @ Ting Wu Hu was appointed to the Board of Key ASIC as Independent Non-Executive Director on 14 October 2009 and re-designated to Non-Independent Non-Executive Director on 26 August 2022. He graduated in Master in Business Administration degree from Wharton School, University of Pennsylvania and started his career as a Manager in Bankers Trust Company. He has more than 40 years of experience in finance and investment industry. He was the President and later Chairman of China Development Industrial Bank, the largest venture capital and investment firm in Taiwan with an investment portfolio over USD3 billion, from 1993 to 2004. The investment portfolio consists of over 500 investee companies, in which 80% of them are IT related companies. He has been actively involved in the semiconductor industry and was a former Vice Chairman and founder of World Semiconductor Manufacturing Corporation from 1996 to 2000. He has been a member of Rand Corporation Asia Pacific board and a board member of Stanford Institute of Economic Policy Research since 2000. Currently, he is the Chairman of National Taiwan University Incubation and Innovation Company, which the main objective is to provide financial and operational assistance to Taiwan's start-up companies. He is also the Chairman of Senhwa Bioscience, Inc., a listed company on Taipei Exchange. In addition, he also chairs multiple integrated circuit or semiconductor related companies or focused venture funds. He is a member of the Audit Committee and Nomination Committee of Key ASIC. He has attended all Board meetings held during the financial year ended 31 May 2025.

Mr Benny Hu does not hold any directorship in other public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries and has no conviction for offences (other than traffic offences) within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Chen, Chia-Yin

Independent Non-Executive Director

Taiwanese Female Aged 50

Chen, Chia-Yin was appointed to the Board of Directors of Key ASIC as an Independent Non-Executive Director on 24 June 2014. She vacated office pursuant to Paragraph 15.05(3)(C) of the Main Market listing requirements of Bursa Malaysia Securities Berhad and was re-appointed on 25 September 2020.

She graduated with a Master in Economics (Development Studies) from the University of Manchester. Her first career is with China Development Industrial Bank ("CDIB") as a Manager in Overseas Investment department mostly responsible for investment activities in the fields of banking and finance related acquisition projects in Southeast Asia, IT and Semiconductor venture investments in Japan and Silicon Valley, distressed asset joint venture investment project in New York and managing portfolio investment worth US\$100 million. In year 2005, she joined Etron Technology Inc. as Senior Investment Manager in CEO office. At Etron, she managed portfolio investments and specialised in M&A, incubating startups and spinoffs, also sitting on the boards of the investee companies as Managing Directors until March 2012. Since then she has been pursuing her investment profession with Strait Capital Investment Group, responsible for overseas M&A, focusing on Semiconductor, pharmaceutical and medical service fields. She is a member of the Audit Committee, Remuneration Committee and Nomination Committee of Key ASIC. She has attended all Board meetings held during the financial year ended 31 May 2025.

Ms Chen does not hold any directorship in other public companies and listed issuers.

She does not have any family relationship with any Director and/or major shareholder of the Company. She does not have any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries and has no conviction for offences (other than traffic offences) within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Board of Directors and
Key Senior Management's Profile
(cont'd)

Prof. Low Teck Seng

Independent Non-Executive Director

Singaporean Male Aged 70

Prof. Low Teck Seng was appointed to the Board of Directors of Key ASIC as Independent Non-Executive Director on 24 November 2017.

Prof. Low graduated with First Class Honours in Electrical & Electronic Engineering in 1978 from Southampton University and subsequently received his PhD from the same university in 1982. He joined National University of Singapore (NUS) in 1983 as an academic staff of the Department of Electrical Engineering. His research interests were in computational electromagnetics and spinelectronics.

Prof. Low Teck Seng was the Chief Executive Officer of the National Research Foundation ("NRF"), Prime Minister's Office, Singapore from July 2012 till August 2022. Prior to his appointment at NRF he was the Managing Director of the Agency for Science, Technology and Research. Prof. Low was instrumental in setting up the Magnetism Technology Centre ("MTC") in National University of Singapore ("NUS") in 1992. The MTC is the predecessor of the Data Storage Institute ("DSI"), a leading research institute focusing on data storage technologies. He was Dean of Engineering at the NUS from 1998 to 2000. Prof. Low was the founding principle of Republic Polytechnic.

Prof. Low is a tenured professor at the National University of Singapore. He stepped down as Senior Vice President at the National University of Singapore on 31 July 2025, and currently serves as Senior Advisor to the President, National University of Singapore. He is a Fellow of the Singapore Academy of Engineers, Fellow of the IEEE, and an International Fellow of the Royal Academy of Engineering, UK.

Prof. Low is also an Independent Non-Executive Director of UCrest Berhad. He is the Chairman of the Remuneration Committee of Key ASIC. He has attended all Board meetings held during the financial year ended 31 May 2025.

Save as disclosed, he does not hold any directorship in other public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries and has no conviction for offences (other than traffic offences) within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Board of Directors and
Key Senior Management's Profile
(cont'd)

Datuk Md Zubir Ansori Bin Yahaya

Independent Non-Executive Director

Malaysian Male Aged 67

Datuk Md Zubir Ansori Bin Yahaya was appointed to the Board of Directors of Key ASIC as Independent Non-Executive Director on 26 August 2022. He holds a Bachelor of Accounting (Honours) degree from Universiti Kebangsaan Malaysia. He also holds a certificate of Banking and Managerial Process from Asian Institute of Management (AIM), Manila. He is a Chartered Accountant as a member of Malaysian Institute of Accountants (MIA).

Datuk Md Zubir has more than 35 years of strategic, finance and management experience in various sectors including Financial Services, Aviation, Transportation and Air Cargo Logistics, Information & Communications Technology, Retailing, Trading and Corporate Consultancy. He had previously served as Chairman to the Board of UiTM Holdings Berhad, MyFranchise Sdn. Bhd., and PNS ASQ Asia Sdn. Bhd., Board member of Focus Point Holdings Berhad, Perbadanan Nasional Berhad (PNS), Seacera Group Berhad, My Creative Ventures Bhd and board of several Malaysia Debt Ventures Berhad ("MDV")'s customers, namely P1 Sdn. Bhd., Aquawalk Sdn. Bhd., Commerce dot Com Sdn. Bhd., Jaalaa Sdn. Bhd., Lereno Sdn. Bhd. and Platinum Nanochem Sdn. Bhd. He was a member of the Global Technology Funds Evaluation Committee at MDeC and a Corporate Advisor to UMCIC, University of Malaya and several Committees on a national level such as an Executive member on the Local Advisory Panel for MSC Malaysia, Funding and Enabler Sub-Committees in Biotech Corporation, NEF Advisory Committee and Executive Council MyLab project for Ministry of Education. He left MDV in 2018 after serving as Managing Director/Chief Executive Officer for 13 years.

Datuk Md Zubir is the Chairman of the Audit Committee, Nomination Committee and Option Committee of Key ASIC. He is also a member of the Sustainability Committee of Key ASIC. He is a Director of UM Capital Berhad. He has attended all Board meetings held during the financial year ended 31 May 2025.

Save as disclosed, he does not hold any directorship in other public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries and has no conviction for offences (other than traffic offences) within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Board of Directors and
Key Senior Management's Profile
(cont'd)

Thong Kooi Pin

Financial Controller

Malaysian Male Aged 53

Mr Thong Kooi Pin was appointed as the Financial Controller of Key ASIC Berhad on 25 September 2006. He graduated with a professional degree in Association of Chartered Certified Accountant ("**ACCA**") in 1998 and admitted as member of Malaysian Institute of Accountants ("**MIA**") as Chartered Accountant in year 2000. He further obtained his Master degree in Business Administration majoring in finance in year 2005 from Universiti Putra Malaysia.

Mr Thong Kooi Pin is a member of the Option Committee and Sustainability Committee of Key ASIC. He is also an Independent Non-Executive Director of Sik Cheong Berhad.

Save as disclosed, he does not hold any directorship in other public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries and has no conviction for offences (other than traffic offences) within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Wang, Wei-Kai

Director of Production

Taiwanese Male Aged 46

Mr Wang, Wei-Kai was appointed as the Director of Production in March, 2022. He graduated with a master degree in Applied Science and Technology of National Chiao Tung University Taiwan in 2020. He started his career as Integration engineer with Qualcomm, Taiwan in 2009 before joining TDK Invennesses, Taiwan in 2017 where he assumed foundry engineer for the wafer process and IC development before joining Key ASIC.

Mr Wang, Wei-Kai is a member of the Sustainability Committee of Key ASIC. He does not hold any directorship in public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries and has no conviction for offences (other than traffic offences) within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



Board of Directors and
Key Senior Management's Profile
(cont'd)

Lee, Hsin-Kai

Vice President ("VP") of Marketing

Taiwanese Male Aged 65

Mr Lee, Hsin-Kai was appointed as the VP of Marketing of Key ASIC in July 2018. He graduated with a professional degree in Electronic Engineering of Tamkang University Taiwan, in 1982. He started his career as Marketing Manager with Cadence Taiwan office in 1998 for Marketing head of Electronic Design Automation ("EDA") and Intellectual Property ("IP") products before joining CoAsia Corporation in 2002 where he assumed Marketing Director for biz development of Samsung Electronic's System LSI, Memory and Thin Film Transistor ("TFT") panel products before joining Key ASIC in 2010.

Mr Lee, Hsin-Kai does not hold any directorship in public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries and has no conviction for offences (other than traffic offences) within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



Dear Shareholders,

I am pleased to present the Annual Report and the Audited Financial Statements of Key ASIC Berhad (“Group”) for the year ended 31 May 2025 (“FYE 2025”).

Chairman’s Statement

Financial Performance

For FYE 2025, the Group recorded a net loss of RM6.79 million, a significant improvement from the net loss of RM10.77 million in FYE 2024. This progress reflects stronger cost discipline, higher-value project mix, and continued focus on advanced technologies with long-term revenue potential.

While near-term market conditions remain challenging, the underlying fundamentals of our business are strengthening. The investments we have made in intellectual property (IP) for advanced nodes and our early leadership in IoT Edge AI have positioned Key ASIC to capture substantial opportunities as the semiconductor industry enters its next growth cycle.

Industry Trends and Development

The global semiconductor industry continues to be one of the fastest-growing sectors, with revenue projected to reach nearly US\$1 trillion by 2029 at a CAGR of 10.06% (2024–2029).

Key growth drivers include:

- **Artificial Intelligence (AI) & Data Centers:** fueled by GPUs and multi-core CPUs.
- **Electric Vehicles (EVs):** accelerating demand for high-performance and power chips.
- **Healthcare and Medical Technologies:** adoption of AI-driven devices.
- **Networking & Connectivity:** expansion of cloud, edge, and 5G applications.

Of particular significance is the rapid adoption of Edge AI, where intelligence is embedded directly into devices, enabling real-time processing with lower latency and power consumption. When combined with the Internet of Things (IoT), this convergence—commonly referred to as AIoT—is expected to transform industries such as healthcare, automotive, industrial automation, aviation, and consumer electronics.

Key ASIC is strategically focused on this high-growth segment, leveraging our IP and design expertise to deliver solutions that meet the market’s evolving needs.



Chairman's
Statement
(cont'd)

Prospect

The Group's investments in IoT Edge AI are now delivering measurable results. Over the past few years, we have successfully developed and delivered multiple generations of IoT and AI chips for global customers, establishing ourselves as a pioneer in this emerging field.

Our SPG101 IoT SoC, designed for smart connectivity and embedded AI, has gained traction across multiple verticals:

- **Aviation & Transportation:** enabling intelligent in-flight connectivity and enhancing passenger experience.
- **Healthcare:** powering diagnostic devices that combine IoT with AI to deliver faster, more accurate, and cost-effective healthcare solutions.
- **Consumer Electronics & Smart Homes:** providing compact, low-power chips that bring real-time intelligence to everyday devices.

Unlike many peers that focus solely on data center AI, Key ASIC's differentiation lies in integrating AI with IoT at the edge, where scalability is vast and adoption is accelerating. We expect Edge AI and AIoT solutions to become a key revenue pillar of the Group in the years ahead.

At the same time, our advanced-node strategy is delivering results. Approximately 50% of projects executed in FYE 2025 were at 28nm and below, and we target this share to grow to 70% in the near future. Our IP portfolio in 12nm, 7/6nm, and 5nm positions us competitively to capture new opportunities as customers migrate to smaller geometries.

To support this growth, the Group continues to expand its global footprint. In FYE 2025, we strengthened distribution channels in China and Japan, two of the largest semiconductor markets, and are advancing initiatives to penetrate the United States and Europe. These regions will play a critical role in scaling our business and enhancing long-term shareholder value.

Commitment to Shareholders

Looking ahead, we are confident that Key ASIC is on the right trajectory. Our combination of pioneering IoT Edge AI leadership, deep expertise in advanced nodes, and expanding international market presence gives us a strong platform for sustainable growth.

We remain committed to:

- Investing in R&D to maintain technology leadership.
- Converting our IP and ASIC design capabilities into recurring revenue streams.
- Expanding globally through strategic partnerships and distribution channels.
- Delivering long-term value creation for our shareholders.

Appreciation

On behalf of the Board, I extend my deepest appreciation to our Directors for their guidance and support. I would also like to thank our employees for their dedication and innovation, which are the foundation of our achievements.

Finally, I wish to thank our shareholders, customers, and business partners for your confidence in Key ASIC. Together, we will continue to build on our strengths, seize new opportunities, and shape the future of semiconductors and IoT Edge AI.

Thank you,

EG KAH YEE

Executive Chairman, Chief Executive Officer



MANAGEMENT'S DISCUSSION AND ANALYSIS

General Description of the Group's Business

The Group continues to build its reputation as a leading provider of turnkey ASIC design services, IP development and licensing, and the production of packaged, tested chips. These remain our core businesses and are expected to be the principal drivers of shareholder value creation.

Our strategic focus on 28nm/22nm nodes has successfully positioned us to capture migration from 55nm and 40nm designs, with more than 50% of new projects in FYE 2025 delivered on these nodes. At the same time, we are proactively investing in advanced technologies at 7nm, 5nm and below, ensuring readiness to serve next-generation demand.

In addition, the Group has developed three generations of AI co-processor chips for edge computing. With global demand for edge AI solutions accelerating, these chips are expected to form a growing share of recurring revenue. Our SPG101 IoT chip has gained new traction, particularly in the aviation industry, where connected in-flight passenger experiences represent a significant long-term growth opportunity.

Beyond semiconductors, the Group has entered the healthcare AI market with the commercial launch of iMedic™ Optics, an AI-driven retinal imaging diagnostic system. This solution has already started generating revenue, and additional healthcare AI systems under development are poised to broaden our footprint in the rapidly expanding global digital health market.

Financial Year Ended 31 May 2025 ("FYE 2025")

Revenue

The Group recorded revenue of RM14.95 million in FYE 2025 compared with RM22.93 million in FYE 2024. The decline was primarily attributable to lower recurring engineering services.

Costs and expenses

Total costs and expenses before finance costs were RM19.51 million (FYE 2024: RM34.38 million), comprising:

- (a) Purchase and other direct costs amounted to RM9.80 million;
- (b) Administrative expenses amounted to RM3.76 million;
- (c) Other operating expenses amounted to RM5.95 million.

While the cost structure reflects the capital-intensive nature of R&D, the Group has implemented efficiency initiatives to optimize project execution and selectively outsource non-core activities, enhancing operational leverage for future growth.

Other operating income

Other operating income of RM0.85 million (FYE 2024: RM0.72 million) was mainly due to foreign exchange gains and interest income. Looking ahead, we expect to unlock further income streams through IP monetization via partnerships and licensing.

Loss attributable to Owners of the Company

The Group posted a loss attributable to owners of RM6.79 million or RM0.49 per basic share (FYE 2024: RM10.77 million or RM0.77 per basic share). The reduction in losses was mainly attributed to an increase in higher-margin revenue streams, coupled with effective cost control measures that helped bring down overall expenses.

Liquidity and capital resources

The Group maintains a healthy financial position, with cash and cash equivalents of RM8.13 million (FYE 2024: RM17.32 million).

- Net cash used in operating activities: RM3.83 million
- Capital expenditure: RM4.75 million, focused on design tools and infrastructure upgrades
- The Group's financing activities recorded a net cash outflow in FYE 2025

This strong liquidity base provides the resources necessary to fund R&D programs and seize emerging opportunities without compromising financial stability.

Management's
Discussion and Analysis
(cont'd)

Prospects

The Group is strategically positioned for growth across multiple high-value markets:

- (a) **ASIC/IP Services** – Continued migration to 28nm/22nm nodes and the gradual adoption of 7nm and 5nm nodes will drive strong project demand, making ASIC services a reliable contributor to Group revenue.
- (b) **AIoT Chips** – The global trend of embedding intelligence into connected devices presents a long runway for growth. With applications expanding to aviation, industrial automation, and consumer electronics, the Group's SPG101 and related SoCs are well placed to capture market share.
- (c) **Healthcare AI Systems** – The successful rollout of iMedic™ Optics validates our ability to commercialize AI healthcare solutions. Additional systems under development are expected to expand into broader diagnostic and telemedicine markets, offering recurring revenue potential.

Together, these growth drivers provide the Group with a balanced and scalable business model that mitigates cyclical risks while unlocking new, sustainable sources of income.

Risk Factors

Innovation Risks

Our long-standing philosophy of investing in cutting-edge R&D ensures that the Group remains ahead of industry shifts, thereby reducing innovation risk.

Competency Risks

With a 50% increase in engineering headcount since FY2023 and continuous upskilling programs, the Group has strengthened its talent pipeline. Strategic collaboration with Silicon Valley advisors further enhances the technical depth and competitiveness of our teams.

Information Technology ("IT") Risk

The Group has fortified its IT infrastructure, implementing state-of-the-art cybersecurity defenses, expanded bandwidth, and secure backup protocols to protect intellectual property and ensure business continuity.

Intellectual Property ("IP") Risk

Multiple new patents filed and awarded in ASIC/SoC design, AI, and IoT demonstrate our innovation leadership. A proactive IP strategy safeguards our technology while creating opportunities for licensing and cross-collaboration.

Production Risk

Diversified manufacturing and packaging partnerships mitigate supply chain risk and enhance our ability to scale production. This strategy ensures greater flexibility and resilience when facing disruptions, while also strengthening our capacity to scale efficiently to meet growing customer demand.

Design Development Risk

By recruiting only top-tier engineers and engaging seasoned technologists as advisors, the Group ensures world-class design capabilities, reducing risks of costly rework or delays in tape-outs.

Geopolitical Risk

The Group's multi-region supplier and partner base has insulated operations from major disruptions arising from geopolitical tensions. Our flexible, agile management approach enables us to adapt quickly and capitalize on shifts in global supply chains.

AUDIT COMMITTEE REPORT

The Audit Committee (“AC”) was established on 4 October 2007 with the primary objective to provide assistance to the Board of Directors (“Board”) in fulfilling its fiduciary responsibilities relating to the corporate governance and practices for the Group, to improve the business efficiency and enhance the independent role of external and internal auditors.

1. COMPOSITION OF AUDIT COMMITTEE

The AC comprises three (3) members:

Chairman

Datuk Md Zubir Ansori Bin Yahaya – Independent Non-Executive Director

Members

Chen, Chia-Yin – Independent Non-Executive Director

Benny T. Hu @ Ting Wu Hu – Non-Independent Non-Executive Director

2. SECRETARIES

The Secretaries of the AC are the Company Secretaries of the Company.

3. TERMS OF REFERENCE

The Terms of Reference of the AC is available at the Company’s website at www.keyasic.com.

4. SUMMARY OF MEETING AND ACTIVITIES UNDERTAKEN

A total of four (4) meetings were held during the financial year ended 31 May 2025. The attendance records of the meetings are as follows:-

Name	Attendance
Datuk Md Zubir Ansori Bin Yahaya	4/4
Benny T. Hu @ Ting Wu Hu	4/4
Chen, Chia-Yin	4/4

SUMMARY OF ACTIVITIES OF COMMITTEE

During the financial year ended 31 May 2025 (“FYE 2025”), the AC has carried out the following activities:-

- (i) reviewed the annual financial statements for the FYE 2025 of the Group and recommended the same to the Board for their consideration and approval;
- (ii) reviewed the quarterly unaudited financial results of the Group in July 2024, October 2024, January 2025 and April 2025 prior to recommending them for approval by the Board. The financial results were presented by Management who attended to the queries raised by the AC. The AC was satisfied that the financial results had been prepared in accordance with Malaysian Financial Reporting Standards 134;
- (iii) reviewed the financial performance against the budget;
- (iv) reviewed and discussed on the Company’s plan for financial year ended 2025;
- (v) reviewed the recurrent related party transactions entered into by the Group and ensured that the transactions under the shareholders’ mandate were within the threshold as set in accordance with the mandate obtained from the shareholders;
- (vi) reviewed the Circular to shareholders in relation to the Proposed Renewal of the Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a revenue or trading nature before recommending the same to the Board for approval;
- (vii) discussed and reviewed the fees of the External Auditors and recommended the same to the Board for approval;

Audit Committee
Report
(cont'd)

4. SUMMARY OF MEETING AND ACTIVITIES UNDERTAKEN (CONT'D)

SUMMARY OF ACTIVITIES OF COMMITTEE (CONT'D)

- (viii) reviewed and discussed with the External Auditors the Audit Committee Meeting Report for the financial year ended 31 May 2024 and Audit Planning Memorandum for the financial year ended 31 May 2025 from the External Auditors and recommended the same for the Board's notation;
- (ix) the assessment on the External Auditors was conducted by completing personalised evaluation form as guided by the Corporate Governance Guide on Evaluation of External Auditor Performance and independence Checklist. The AC had, with the assistance from the Management, assessed the performance, suitability and independence of Messrs UHY Malaysia and recommended that Messrs UHY Malaysia be re-appointed as the External Auditors of the Company. Subsequent thereto, the Company had received a notice in writing from Messrs UHY Malaysia on their resignation as Auditors of the Company. The AC had reviewed and recommended that Morison LC PLT be appointed as the External Auditor of the Company for the financial year ended 31 May 2025 in place of Messrs UHY Malaysia;
- (x) assessed the suitability and independence of External Auditors, Morison LC PLT and reviewed their reappointment as auditors of the Company;
- (xi) reviewed and discussed with the Internal Auditors on the key risks of the Group covered in the Enterprise Risk Management Report and prepared by the Internal Auditors including the management action plans based on the recommendation highlighted by the Internal Auditors before updating the Board;
- (xii) reviewed and discussed with the Internal Auditors, the Internal Audit Plan, the Internal Audit Report on Audit Plan, Sales, Marketing and Accounts Receivable, and Financial Management, including the management action plans based on the recommendation highlighted by the Internal Auditors;
- (xiii) assessed the performance of the Internal Auditors, Vaersa Advisory Sdn. Bhd. based on personalised evaluation form. The AC was satisfied with the performance, adequacy of the scope, functions, competency and resources of the Internal Auditors and that it has the necessary authority to carry out its work; and
- (xiv) reviewed and recommended for the Board's approval, the Statement on Risk Management and Internal Control, Corporate Governance Overview Statement, Sustainability Statement and AC Report for inclusion in the Annual Report 2024.

5. INTERNAL AUDIT FUNCTION

Internal auditor reports directly to the AC. The functions of the Internal Auditors are to ensure a regular review of the adequacy and integrity of its internal control system. The Internal Auditors will also be required to assist the Group in enhancing its existing risk management framework and adopting a risk-based approach.

The Internal Auditors are required to conduct regular and systematic reviews on all operating units and submit an independent report to the AC for review and approval to ensure adequate coverage. During the financial year ended 31 May 2025, the internal audit reviews covered the areas on review of Internal Audit Plan, Sales, Marketing and Accounts Receivable, and Financial Management. The Internal Auditors attended four (4) AC meetings held during the financial year 2025. The Group has incurred approximately RM16,000 in the financial year ended 31 May 2025 in maintaining the internal audit function.

6. OVERSIGHT OF EXTERNAL AUDIT

- (i) The External Auditors attended two (2) AC Meetings held in FYE 2025. This included two (2) private sessions without the presence of the Management;
- (ii) Reviewed the Audit Progress Report for the financial year ended 31 May 2024 in FYE 2025 from the External Auditors, entailing mainly the overall findings of the audit of the Group's financial statements;
- (iii) Reviewed the Audit Planning Memorandum for the FYE 2025 from the External Auditors, entailing mainly the overview of audit approach, scope of work, auditing developments, significant risks and areas of audit focus of the Group and of the Company;
- (iv) Received the communications from the External Auditors for the FYE 2025, covering updates of matters to highlight and significant outstanding information/documents from the audit field works;

Audit Committee
Report
(cont'd)

6. OVERSIGHT OF EXTERNAL AUDIT (CONT'D)

- (v) Reviewed the suitability and independence of the External Auditors vide a personalised “Assessment on External Auditors” and upon reviewed and being satisfied with the results of the said assessment and recommended to the Board, the re-appointment of Messrs. UHY Malaysia as the External Auditors of the Company. Subsequent thereto, the Company had received a notice in writing from Messrs UHY Malaysia on their resignation as Auditors of the Company. The AC had reviewed and recommended that Morison LC PLT be appointed as the External Auditor of the Company for the financial year ended 31 May 2025 in place of Messrs UHY Malaysia;
- (vi) assessed the suitability and independence of External Auditors, Morison LC PLT and reviewed their reappointment as auditors of the Company;
- (vii) Discussed and reviewed with the External Auditors, the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board, and the scope of work and audit plan for the FYE 2025, including any significant issues and concerns arising from the audit; and
- (viii) Reviewed the audit fees for FYE 2025 prior to the Board’s approval.

7. OVERSIGHT OF INTERNAL AUDIT

- (i) The internal auditors attended four (4) AC Meetings held in FYE 2025;
- (ii) Reviewed the risk-based Internal Audit Plan for the Group for FYE 2025 and approved for adoption of the same by the Group throughout FYE 2025;
- (iii) Reviewed the Internal Audit Reports for FYE 2025 and assessed the internal auditors’ findings and the management’s responses and made the necessary recommendations to the Board for notation;
- (iv) Reviewed the progress updates on the follow-up review of the previous Internal Audit Reports;
- (v) Reviewed the adequacy and performance of the internal audit function and its comprehensive coverage of the Group’s activities for FYE 2025; and
- (vi) Reviewed and assessed the adequacy of the scope, functions, competency and resources of the outsourced internal auditors for FYE 2025 and that they have the necessary authority to carry out their work.

8. RELATED PARTY TRANSACTION AND CONFLICT OF INTEREST

Reviewed any related party transaction and conflict of interest situation that arose, persist or may arise within the Group including any transaction, procedure or course of conduct that raises questions on management integrity and the measures taken to resolve, eliminate, or mitigate such conflicts, if any, at each AC quarterly meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board recognises the importance of good corporate governance in discharging its responsibilities, protecting and enhancing shareholders' value through promoting and practising high standards of corporate governance throughout the Group. The Board adopts and applies the principles and best practices as governed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and the Malaysian Code on Corporate Governance ("**Code**").

The Corporate Governance Report ("**CG Report**") provides the details on how Key ASIC has applied each Practice as set out in the Code during the financial year ended 31 May 2025 ("**FYE 2025**"). The CG Report is available on our corporate website at www.keyasic.com. Where there are gaps in the Company's observation of any of the recommendations of the Code, these are disclosed in the CG Report with explanations.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

1.1 Board's Role and Responsibilities

The Board has the overall responsibility for the performance of the Group by maintaining full and effective control over strategic, financial, operational, compliance and governance issues. The Board is responsible in formulating and reviewing of strategic plans, key policies and monitoring the Group's business operations. The Board delegates the day-to-day management of the Company's business to the management team but reserves for its consideration significant matters such as the following:-

- Approval of financial results;
- Declaration of dividends;
- Risk appetite setting;
- Credit policy;
- Business (Acquisition/Disposal);
- Capital Expenditures;
- Corporate Proposal; and
- Budget

The Board's role is to oversee the performance of the Management to determine whether the business is properly managed. The Board gets updates from Management at the quarterly Board Meetings when reviewing the unaudited quarterly results. During the meetings, the Board participates in the discussion on the performance of the Group.

The Board assumes the following responsibilities:-

- (a) Reviewing, adopting and monitoring strategic plan for the Group to ensure that the Group's goals are clearly established;
- (b) Overseeing the conduct of the Company's business;
- (c) Identifying risks and assume active role in ensuring the implementation of appropriate systems to manage or mitigate these risks;
- (d) Succession planning, including appointing, training, fixing the compensation of the key managements and to review the Succession Policy from time to time;
- (e) Ensuring measures are in place to assess and overseeing Management's performance for strengthening the Group's performance;
- (f) Developing and implementing an investor relations programme or shareholder communications policy for the Group; and
- (g) Reviewing the adequacy and integrity of the Group's internal control systems and management information systems, including system for compliance with applicable laws, regulations, rules, directives and guidelines.

Corporate Governance
Overview Statement
(cont'd)

1.1 Board's Role and Responsibilities (cont'd)

In furtherance of the above and to ensure orderly and effective discharge of its functions and responsibilities, the Board has established the following Board committees:

- Audit Committee ("AC")
- Nomination Committee ("NC")
- Remuneration Committee ("RC")
- Option Committee ("OC")
- Sustainability Committee ("SC")

The Board has defined the terms of reference for each Committee and the Chairman of these respective Committees report and update the Board on significant matters and salient matters deliberated by the Committees.

1.2 Chairman of the Board

The Chairman ensures that all Directors are properly briefed on issues arising at Board meetings and sufficient time is allowed for discussion. When chairing Board meetings, the Chairman ensures the following:-

- (a) All relevant issues are on the agenda of Board meetings;
- (b) Board debates strategic and critical issues;
- (c) Board receives the necessary management reports relating to the Company's business on a timely basis;
- (d) All directors are able to participate openly in discussions at Board meetings;
- (e) Providing leadership to the Board and is responsible for the developmental needs of the Board
- (f) Encouraging active participation and allowing dissenting views to be freely expressed.

The Chairman also chairs general meetings of the Company and provide clarification on issues that may be raised by shareholders.

1.3 Separation of Position of Chairman and Chief Executive Officer ("CEO")

Although the positions of the Chairman and CEO are held by Eg Kah Yee, however the Board consists of a majority of Independent Directors. The Board collectively views that Eg Kah Yee's expertise is highly needed and the Board is confident that the current practice is best in maintaining the sustainability and the creativity of the Group in moving forward especially in time when the Group is struggling for profitability.

In addition, the current composition of the Board comprises a majority of Independent Non-Executive Directors. This provides a check and balance on the Company management with a view to safeguarding and protects the interest of all shareholders as a whole.

Currently, the Chairman of the Board is not a member of all the Board committees except the SC to ensure there is check and balance as well as objective review by the Board.

Corporate Governance
Overview Statement
(cont'd)

1.4 Qualified and Competent Company Secretaries

The Board has direct access to the advice and services of the Company Secretary. The Company Secretaries are qualified to act in accordance with the requirements of the Companies Act 2016.

The Board is updated by the Company Secretary on new statutes and directives issued by the regulatory authorities. The Company Secretary has attended the Board and Committee meetings and ensured that all procedures are adhered.

Roles and responsibilities of the Company Secretaries can be found in the CG Report.

The Company Secretaries also attend regular conferences, trainings and seminar programmes to keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance.

1.5 Access to Information and Advice

All Directors, including Independent Non-Executive Directors, have full and timely access to information concerning the Company or other external information as they may feel necessary. Board papers and reports which include the Group's performance and major operational, financial and corporate information are distributed to the Directors at least five (5) business days prior to Board meetings to enable Directors to obtain further explanation, where necessary, in order to be properly briefed before the meeting. Additionally, management was invited to brief in the meetings of the Board and Board Committees, where necessary. The deliberations and decisions at Board and Board Committee meetings are well documented in the minutes, including any dissenting view and matters where Directors abstained from voting and deliberation. The minutes of meetings will be circulated for the Board's and Board Committee's review in a timely manner.

The Board collectively, and each Director individually, has the right to seek independent professional advice in furtherance of their duties, at the Company's expense subject to the approval by the Board. Such request may be done via email or during the Board meeting.

2. Board Charter

A Board Charter has been established with the objectives to ensure that all Board Members are aware of their duties and responsibilities, the various legislations and regulations affecting their conduct, principles and practices of good corporate governance are applied accordingly. The Board Charter is reviewed periodically and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of the Board's responsibilities.

The Board Charter was last reviewed and updated on 30 May 2023 and would be reviewed and updated periodically.

This Board Charter is made available at the Company's website at www.keyasic.com.

Corporate Governance
Overview Statement
(cont'd)

3. Code of Conduct and Ethics, Whistle Blower Policy and the Anti-Bribery & Corruption policy

The Board strongly believes in applying good working ethics and code of conduct in all business dealings. The Board established the Code of Conduct and Ethics based on the following principles:-

- (a) Conflicts of interest;
- (b) Corporate opportunities;
- (c) Protection of confidential information;
- (d) Protection and proper use of company assets;
- (e) Compliance with laws, rules and regulations;
- (f) Trading on inside information;
- (g) Compliance with this Code and reporting of any illegal or unethical behavior;
- (h) Bribery and corruption;
- (i) Money laundering;
- (j) Preventing the abuse of power; and
- (k) Waivers and amendments.

The Code of Conduct and Ethics was reviewed and updated on 27 April 2018.

The Board recognises the importance of whistle blowing and is committed to maintain the standards of ethical conduct within the Group. The Company is committed to operating in compliance with all applicable laws, rules and regulations, including those concerning accounting and auditing, and prohibits fraudulent practices by any of its board members, officers and/or employees. The Board had established a whistle blower policy which outlines procedures for employees to report actions that an employee reasonably believes violate a law, or regulation or that constitutes fraudulent accounting or other practices. This policy applies to any matter which is related to the Company's business. This policy has accordingly been inserted in the employee manual/handbook.

The Whistle Blower policy was reviewed and updated on 27 April 2018.

The Group adopts a zero-tolerance approach against all forms of bribery and corruption. The Board has formalised an Anti-Bribery & Corruption policy to prevent, detect and address bribery and corruption via establishing a good corporate governance culture and ethical behavior amongst the Directors and employees of the Group. This policy is applicable to all Directors, employees, business partners of the Group.

The Anti-Bribery & Corruption policy adopted will be reviewed and updated periodically.

The Code of Conduct and Ethics, Whistle Blower policy and Anti-Bribery & Corruption policy are available on the Company's website at www.keyasic.com

4. Sustainability Governance

The Board believes that sustainable business practices are essential to the creation of long-term value, and that running the business in a responsible manner is intrinsically tied to achieving operational excellence.

In terms of structural oversight over sustainability including strategies, priorities and targets, it is reposed at the Board level with Management being responsible for operational execution with respect to Environmental, Social and Governance factors as part of the Group's corporate strategy.

As fiduciary to the Company's shareholders, the Board is focused on maintaining exemplary corporate governance practices, which include a commitment to ethics, integrity and corporate responsibility. The Board also ensures the Company's internal and external stakeholders are well informed on the sustainability strategies, priorities, targets as well as overall performance which the Sustainability Statement has provided a detailed articulation in this Annual Report.

The Sustainability Committee was established on 19 January 2023 which comprises two (2) Directors and four (4) representatives from the Management team and has been tasked with determining the organisation's sustainability strategy and provides an oversight of our corporate sustainability policies and performance. During the FYE 2025, the SC had met once to discuss the sustainability targets, progress and strategy within the Group.

Corporate Governance
Overview Statement
(cont'd)

5. Time Commitments

The Board is primarily responsible for the strategic directions of the Group and is scheduled to meet at least four (4) times a year. However, additional meetings may be convened as and when deemed necessary as determined by the members of the Board.

During the FYE 2025, four (4) board meetings were held and the details of each Director's attendance are set out as follows:-

Directors	Meeting Attendance
Eg Kah Yee (Chairman)	4/4
Benny T. Hu @ Ting Wu Hu	4/4
Datuk Md Zubir Ansori Bin Yahaya	4/4
Chen, Chia-Yin	4/4
Prof. Low Teck Seng	4/4

The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities. This is demonstrated by among others, the satisfactory attendance and time spent by the Directors at the Board and Board Committees meetings during the financial year.

Currently, all Directors of the Company held less than five (5) directorships in other listed companies.

The Chairman of the Board and the Company Secretary shall be notified of any new directorship by any Board members. The notification shall include an indication of time that will be spent. The Company does not have policy nor impose any time commitment on its Independent and Non-Executive Director's position to commit their time to the Company but the Board members are supportive of the Chairman whenever a board meeting is called to deliberate important matters related to the Group.

6. Board Composition

The existing composition of the Board is as set out below:-

Directors	Designation
Eg Kah Yee	Executive Chairman, Chief Executive Officer
Benny T. Hu @ Ting Wu Hu	Non-Independent Non-Executive Director
Datuk Md Zubir Ansori Bin Yahaya	Independent Non-Executive Director
Chen, Chia-Yin	Independent Non-Executive Director
Prof. Low Teck Seng	Independent Non-Executive Director

The profile of each Director is presented under Profile of Directors on pages 3 to 6 of this Annual Report.

The current Board has five (5) members comprising one (1) Executive Director/Chief Executive Officer (Chairman), three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The composition of the Board comprises of a majority of Independent Non-Executive Directors. The Board, through the NC, review annually the structure, mix of skills, size and composition of the Board. The Board is satisfied that the current size and composition are effective for the proper functioning of the Board and it fairly reflects the investment of shareholders and balance in view of the Group's business. Together, the Directors bring a wide range of experience relevant to the direction and objectives of the Group as most of them are veteran in the semiconductor industry.

Corporate Governance
Overview Statement
(cont'd)

6.1 Appointments to the Board

As documented in the Board Charter, the Board may exercise the power pursuant to the Constitution to appoint a person who is willing to act as a Director either to fill a casual vacancy or as an additional Director upon appropriate recommendation by the NC.

The appointment of new directorship would be through a formal and transparent selection process which includes a fit and proper assessment and would take into consideration the evaluation of the candidates' abilities in terms of their characters, skills, qualifications, knowledge, experience, expertise, professionalism, integrity and time commitment to discharge their responsibilities. In the case of candidates for the position of Independent Non-Executive Directors, evaluation will be made on the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors. The Board recognises the importance of diversity and would take into consideration diversity in the selection process.

6.2 Boardroom and Gender Diversity

The Board recognises the importance of gender diversity and is committed to the extent practicable, to address the recommendation of the Code relating to the establishment of a policy formalising its approach to boardroom and workplace diversity.

The Board has on 27 April 2018 adopted a Gender Diversity Policy. Diversity which encompasses various areas such as gender, age, ethnicity and cultural background and the Board firmly believes that a well diversified workplace could benefit the Company to achieve:-

- (a) a good morale between the workforce that leads to a healthy work culture where employees motivate each other to perform at a higher level;
- (b) with a gender-diverse workforce, the Company can expand its customer base and offer better services;
- (c) improve employment and career development opportunities for women;
- (d) a gender-balanced team brings with it greater industry knowledge and helps the company access more resources, as well as multiple channels of information;
- (e) awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity; and
- (f) encouraging active participation and allowing dissenting views to be freely expressed.

The appointment of Chen, Chia-Yin reflects that the Board recognises the value of a lady member of the Board and is a step taken by the Board towards achieving a more gender diversified Board.

6.3 Independent Non-Executive Directors

The Independent Directors play a crucial supervisory function. Their presence is essential in providing unbiased views and impartiality to the Board's deliberation and decision-making process. In addition, the Independent Directors ensure that matters and issues brought to the Board are fully discussed and examined, taking into account the interest of all stakeholders in the Group. In order to ensure the effectiveness of the Independent Directors, the Board undertakes an assessment of its Independent Directors on annual basis to ensure the Independent Director can continue to bring independent and objective judgement to Board deliberation.

The Board takes note that the Code recommends that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years unless shareholders' approval is obtained to retain such Director as an Independent Non-Executive Director. If the Board continues to retain the Independent Director after nine (9) years, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process.

Shareholders' approval would be sought if an Independent Director who has served in that capacity for more than nine (9) years shall remain as an Independent Director. The NC will assess the independence of the Independent Director based on the assessment criteria developed by the NC and recommend to the Board for recommendation to the shareholders for approval. Justification for the approval would be provided. However, the tenure of an Independent Director is limited to not more than a cumulative period of twelve (12) years. After serving for twelve (12) years, an Independent Director may continue to serve on the Board as a Non-Independent Director.

The details of the Independent Non-Executive Director who has served for a cumulative term of more than nine (9) years can be found in the CG Report and the Notice of the forthcoming AGM.

Corporate Governance
Overview Statement
(cont'd)

6.4 Re-election of Directors

In accordance with the Company's Constitution, Directors appointed during the year are required to retire and seek for re-election by shareholders at the following Annual General Meeting ("AGM") immediately after their appointment. The Constitution also require one-third (1/3) of the Directors to retire by rotation and seek re-election at each AGM and that each Director shall submit himself for re-election every three (3) years.

The NC has considered the assessments of Chen, Chia-Yin and Benny T. Hu @ Ting Wu Hu, the Directors standing for re-election at the forthcoming AGM and collectively agree that they meet the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors. The NC had also conducted the fit and proper assessment on the abovementioned Directors and was satisfied with the outcome of the assessments.

The resolution for the re-election of each Director is voted separately at the AGM.

6.5 Professional Developments

The NC had assessed the training needs of each Director on an annual basis by determining areas that would strengthen their contribution to the Board. From the assessment, the NC is satisfied that the Directors have attended adequate trainings to enable them to discharge their duties.

All the Directors have attended the Mandatory Accreditation Programme prescribed by Bursa Securities for directors of public listed companies including for MAP part II in relation to sustainability and the related roles of a Director which was attended by all the existing Directors before 1 August 2025 based on the amendments to the Listing Requirements of Bursa Securities. The Directors will continue to undergo other relevant training sessions to further enhance their knowledge in the latest statutory and regulatory developments as well as to keep abreast with development in the business environment to enable them to discharge their responsibilities efficiently.

The Directors have attended the following trainings during the financial year 2025:-

Director	Trainings	Date
Eg Kah Yee	Personality Dynamics: Unlocking Potential and Enhancing Collaboration by Jashuo Enterprise Co., Ltd	14-May-2025
	Mandatory Accreditation Programme Part II: Leading for Impact by Institute of Corporate Directors Malaysia	7 & 8-July-2025
Datuk Md Zubir Ansori Bin Yahaya	E-Invoice Briefing by LHDN	21-May-2025
	Mandatory Accreditation Programme Part II: Leading for Impact by Institute of Corporate Directors Malaysia	7 & 8-July-2025
Benny T. Hu @ Ting Wu Hu	Compliance with the Cyber Security Management Act under the threat of ransomware by Securities & Futures Institute	12-May-2025
	Mandatory Accreditation Programme Part II: Leading for Impact by Institute of Corporate Directors Malaysia	7 & 8-July-2025
Chen, Chia-Yin	AIA Executives Team Building Program in AI Literacy by Taiwan AI Academy	25-April-2025
	Mandatory Accreditation Programme Part II: Leading for Impact by Institute of Corporate Directors Malaysia	7 & 8-July-2025

Corporate Governance
Overview Statement
(cont'd)

6.5 Professional Developments (cont'd)

Director	Trainings	Date
Prof. Low Teck Seng	Sustainability - The Next Challenge by NUS Business School	19 & 20-August-2024
	Accelerating Digitalisation and Decarbonisation Conference by Singapore Maritime Week (SMW), under Maritime and Port Authority of Singapore (MPA)	25 & 27-March-2025
	Seminar on Resource Efficient Computing by NUS	24-April-2025
	Mandatory Accreditation Programme Part II: Leading for Impact by Institute of Corporate Directors Malaysia	11 & 12-June-2025

6.6 Nomination Committee

The NC was established on 4 October 2007 and has been tasked with the responsibilities to recommend new appointment to the Board. The NC shall be appointed by the Board of Directors and shall comprise exclusively Non-Executive Directors, a majority of whom are Independent Directors. The NC has three (3) members, with a majority being Independent Directors. The composition of the NC is as follows:

Chairman

Datuk Md Zubir Ansori Bin Yahaya (Independent Non-Executive Director)

Members

Chen, Chia-Yin (*Independent Non-Executive Director*)

Benny T. Hu @ Ting Wu Hu (*Non-Independent Non-Executive Director*)

The Terms of Reference of the NC is available at the Company's website at www.keyasic.com.

Summary of Activities undertaken by the Nomination Committee

During the financial year 2025, the following activities were undertaken by NC:-

- Assessed the effectiveness and required mix of skills and experience and other qualities, including core competencies of the Board as a whole, the committees of the Board and the contribution of each existing Director and thereafter, recommended the findings to the Board and the Board's effectiveness in addressing the Company's material sustainability risks and opportunities;
- Assessed the term of office and performance of the Audit Committee and each individual member;
- Assessed the performance of the Nomination Committee and the Remuneration Committee;
- Assessed the independence of the Independent Directors based on criteria set out in the Listing Requirements;
- Reviewed and recommended the re-election of Eg Kah Yee and Datuk Md Zubir Ansori Bin Yahaya as Directors at the Nineteenth AGM;
- Reviewed the training needs of the Directors; and
- Reviewed the result of the performance evaluation of Directors.

On 29 July 2025, the NC assessed the effectiveness of the Board as a whole, Board Committees and contributions of each individual Director as well as their character, integrity and time commitment, independence of Independent Directors. The NC reviews annually the required mix of skills and experience including core competencies which Non-Executive Directors should bring to the Board and other qualities for the Board to function effectively and efficiently.

Corporate Governance
Overview Statement
(cont'd)

6.6 Nomination Committee (cont'd)

Summary of Activities undertaken by the Nomination Committee (cont'd)

The summary of the assessment and its findings was tabled to the NC on 29 July 2025. Based on the summary as presented, the NC tabled its recommendations to the Board of Directors at the Board of Directors' Meeting held on 29 July 2025.

The NC had on 29 July 2025 conducted assessment (including fit and proper assessment) on the Directors, Benny T. Hu @ Ting Wu Hu and Chen, Chia-Yin, who are subject to retirement by rotation at the forthcoming AGM. The NC was satisfied with the assessment of the abovementioned Directors and recommended the re-election of the said Directors for the Board's further recommendation to the shareholders for approval.

The NC had also on 29 July 2025 assessed the independence of the Independent Directors and is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Company. Based on the recommendations from the NC, the Board had also assessed and would be proposing to shareholders for approval the continuation in office of Chen, Chia-Yin, who has served for more than nine (9) years, as an Independent Non-Executive Director of the Company at the forthcoming AGM. Chen, Chia-Yin who was appointed on 24 June 2014 would reach a cumulative term of twelve (12) years on 23 June 2026 and should the shareholders approve her continuation in office as an Independent Non-Executive Director at the Twentieth Annual General Meeting on 12 November 2025, Chen, Chia-Yin will only be able to continue to serve as an Independent Non-Executive Director until 23 June 2026 and as she is currently the only woman Director on the Board, a decision regarding her potential re-designation as a Non-Independent Director will be further discussed and determined in due course.

A two-tier voting process would be adopted when seeking the shareholders' approval to retain Chen, Chia-Yin as an Independent Non-Executive Director of the Company.

The Board's proposal for continuation in office of Chen, Chia-Yin as Independent Non-Executive Director was based on the following:-

- (i) She fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Thus, she would be able to function as a check and balance and bring an element of objectivity to the Board;
- (ii) She has devoted sufficient time and attention to her professional obligations for informed and balanced decision making; and
- (iii) She has exercised her due care during her tenure as an Independent Non-Executive Director of the Company and carried out her duties in the best interest of the Company and shareholders.

Other than Directors' fees, options granted and allowances paid which had been the norm and been duly disclosed in the annual reports, no other incentives or benefits of whatsoever nature had been paid to the Independent Directors that would cause biases in their objective and independent judgement in board deliberation.

7. Remuneration Policy

The Company has established a remuneration policy for the Directors and Senior Management to support and drive business strategy and long-term objectives of the Company and its subsidiaries.

Amongst others, the following are some of the criteria adopted by the Company and its subsidiaries in considering the remuneration of the Senior Management:-

- The overall performance of the Company and its subsidiaries;
- General economic situation;
- Prevailing market practice;
- Salary position against market;
- Skills and experience; and
- Individual performance

Corporate Governance
Overview Statement
(cont'd)

7. Remuneration Policy (cont'd)

The Remuneration Committee (“RC”) was established on 4 October 2007. The present members of the RC are Prof. Low Teck Seng and Chen, Chia-Yin. The RC’s Terms of Reference is available on the Company’s website at www.keyasic.com.

The RC is responsible to implement the policies and procedures on the remuneration for the CEO whilst the Board is responsible for approving the policies and procedures which govern the remuneration of the employees including CEO and Senior Management of the Company to ensure the same remain competitive, appropriate and in alignment with the prevalent market practices and the Company attracts, retains and motivates the Directors and Senior Management who are with strong credentials, high calibre and astute insights to run the business successfully.

The remuneration package is reflective of the individual Director’s and Senior Management’s experience and level of responsibilities and it is structured to link to corporate and individual performance. The RC is responsible for determining the level and make up of the CEO’s remuneration and approved by the Board, with the presence of a majority of non-executive directors. The CEO however, does not participate in any way when determining his remuneration package. The RC is guided by market norms and industry practices when making recommendations for the compensation and benefits of Directors and Key Senior Management.

All Directors except Eg Kah Yee, the Chief Executive Officer, are paid fixed monthly directors’ fees. The determination of the monthly annual directors’ fee and remuneration package for Directors is a matter for the Board as a whole, depending on any additional responsibilities taken. The monthly directors’ fee payable to Directors is presented to the shareholders at the Annual General Meeting for their approval.

All Directors shall abstain from deliberations and voting on their own remuneration.

The Remuneration Policy of Directors and Senior Management was adopted by the Board on 27 April 2018. The Policy would be reviewed and updated periodically. The Remuneration Policy is available at the Company’s website at www.keyasic.com.

Details of remuneration of Directors of the Company for the financial year ended 31 May 2025 are as follows:-

Name of Directors	Directors' Fees (RM) ('000)	Directors' Remuneration				Grand Total (RM) ('000)
		Salary (RM) ('000)	Bonus (RM) ('000)	Benefits in Kind (RM) ('000)	Other Emoluments (RM) ('000)	
Group						
Executive Director						
Eg Kah Yee	–	360	–	–	–	360
Non-Executive Directors						
Benny T. Hu @ Ting Wu Hu	36	–	–	12	–	48
Chen, Chia-Yin	36	–	–	12	–	48
Datuk Md Zubir Ansori Bin Yahaya	36	–	–	45	–	81
Prof. Low Teck Seng	36	–	–	12	–	48
Total	144	360	–	81	–	585

Corporate Governance
Overview Statement
(cont'd)

7. Remuneration Policy (cont'd)

Name of Directors	Directors' Fees (RM) ('000)	Directors' Remuneration				Grand Total (RM) ('000)
		Salary (RM) ('000)	Bonus (RM) ('000)	Benefits in Kind (RM) ('000)	Other Emoluments (RM) ('000)	
Company						
Executive Director						
Eg Kah Yee	–	–	–	–	–	–
Non-Executive Directors						
Benny T. Hu @ Ting Wu Hu	36	–	–	12	–	48
Datuk Md Zubir Ansori Bin Yahaya	36	–	–	45	–	81
Chen, Chia-Yin	36	–	–	12	–	48
Prof. Low Teck Seng	36	–	–	12	–	48
Total	144	–	–	81	–	225

The Company respects the confidentiality of the remuneration of the Senior Management in view of the competitive nature of human resource market. Thus, the Company does not have the intention to adopt the recommendation to disclose the details of each member of senior management in bands of RM50,000 on a named basis.

However, the Company would endeavour to ensure that the remuneration package of the employees are in line with the industry practices and the annual increments and bonuses pay-out are based on individual performances.

8. Directors' Fit and Proper Policy

The Company has established a Directors' Fit and Proper policy which serves as a guide to the NC and the Board in their review and assessment of candidates that are to be appointed onto the Board and its subsidiaries as well as Directors who are seeking for re-election.

The Board should consider the factors which includes but not limited to the following in assessing if a candidate meets the criteria under the policy:-

- (a) Character and integrity
 - (i) Probity
 - (ii) Personal integrity
 - (iii) Financial integrity
 - (iv) Reputation
- (b) Experience and competence
 - (i) Qualifications, training and skills
 - (ii) Relevant experience and expertise
 - (iii) Relevant past performance or track record
- (c) Time and commitment
 - (i) Ability to discharge role having regard to other commitments
 - (ii) Participation and contribution in the board or track record

The Directors' Fit and Proper policy was adopted by the Board on 27 April 2022.

The Directors' Fit and Proper policy is available at the Company's website at www.keyasic.com.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee

The Audit Committee (“AC”) was established on 4 October 2007 with the primary objective to provide assistance to the Board in fulfilling its fiduciary responsibilities relating to the corporate governance and practices for the Group, to improve the business efficiency and enhance the independent role of external and internal auditors. None of the members of the AC were former key audit partners of the external and internal auditors.

The AC comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, as follows:-

Chairman

Datuk Md Zubir Ansori Bin Yahaya - Independent Non-Executive Director

Members

Chen, Chia-Yin – Independent Non-Executive Director

Benny T. Hu @ Ting Wu Hu – Non-Independent Non-Executive Director

The Chairman of the AC is not the Chairman of the Board.

The Terms of Reference of the AC is available on the Company’s website at www.keyasic.com.

2. External Auditors

The Board has established a transparent relationship with the external auditors through the AC, which has been accorded the authority to communicate directly with the external auditors. The auditors in turn are able to highlight matters which require the attention of the Board to the AC in terms of compliance with the accounting standards and other related regulatory requirements.

The AC undertakes annual assessment of the suitability and independence of the External Auditors. The factors considered by the AC in its assessment include, adequacy of professionalism and experience of the staff, the resources of the external auditors, the fees and the independence of and the level of non-audit services rendered to the Group.

The AC is satisfied with the External Auditors’ confirmation of independence and their conduct of the audit. These confirmations were made pursuant to the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

The amounts of audit and non-audit fees paid to the External Auditors or a firm affiliated to the External Auditors by the Company and the Group for the financial year ended 31 May 2025 are as follows:-

	Group (RM)	Company (RM)
Audit	193,956	130,000
Non-Audit	5,000	5,000

The AC had on 29 July 2025 conducted an assessment on the suitability and independence of the external Auditors. Having assessed their performance, the AC is satisfied with the competence and independence of the external auditors and had recommended to the Board, the re-appointment of the External Auditors upon which the shareholders’ approval will be sought at the forthcoming AGM of the Company.

Private sessions between the AC members and the External Auditors are held without the presence of the Executive Director and Management. This encourages a greater exchange of independence and open dialogue between both parties.

Corporate Governance
Overview Statement
(cont'd)

3. Internal Audit Function

The internal audit function is independent of the operations of the Group and is outsourced to a competent consulting firm to provide its services to meet with the Group's required service level.

Internal auditor reports directly to the AC. The functions of the internal auditor are to ensure a regular review of the adequacy and integrity of its internal control system. The internal auditor will also be required to assist the Group in enhancing its existing risk management framework and adopting a risk-based approach based on COSO assessment model.

The assessment of the internal audit is reported periodically to the AC. The recommendations arising from the internal audit and its implementations would be monitored.

The internal audit function is outsourced to an independent professional firm, Vaersa Advisory Sdn Bhd. The internal audit team is headed by Mr Quincy Gan who possesses the relevant qualification and experience and is assisted by eight members. The internal audit personnel are free from any relationships or conflicts of interest with the Company which could impair their objectivity and independence during the internal audit review. The AC had assessed the performance of the internal auditor on 29 July 2025 and was satisfied with the adequacy of the scope, competency and resources of the internal auditor and that it has the necessary authority to carry out its work.

The expenses incurred for the internal audit function for FYE 2025 is RM16,000.

4. Risk Management and Internal Control Framework

The Group has put in place an Enterprise Risk Management framework ("ERM") which comprises the following elements:

- Communicate and disseminate across the organisation the vision, role and direction of the Group;
- Provide guiding principles and approach towards risk management;
- Process of identification, assessment, evaluation and management of the various principal risks which affect the Group's business;
- Creation of a risk-awareness culture and risk ownership for more effective management of risks;
- Regular review, tracking and reporting on key risks identified and corresponding mitigation procedures; and
- Regular review of the effectiveness of the system of internal control.

The framework is applied to determine, evaluate and manage principal risks of the Group. This is complemented by the system of internal control that is integrated into the Group's operations and processes.

During FYE 2025, the AC reviewed and updated the risk management function constantly to safeguard shareholders' investments and the Group's assets.

The Group's internal audit function which includes the risk management function has been outsourced to an external consultant which reports directly to the AC.

The internal audit function currently reviews and appraises the risk management and internal control processes of the Group. The Statement on Risk Management and Internal Control set out on pages 41 to 44 of this Annual Report provides an overview of the Group's approach to ensure the effectiveness of the risk management and internal processes within the Group.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Communication

The Company is committed to provide clear, accurate and timely disclosure of all material information to its stakeholders and the general public. The Company will ensure compliance with the disclosure requirements as set out in the Listing Requirements at all times.

The Company communicates with the shareholders through the timely release of financial results on a quarterly basis, annual report, press releases and announcements to Bursa Securities. Financial results and press releases are also placed on the corporate website to keep shareholders and investors informed of the Company's performance.

2. Leverage on Information Technology for Effective Dissemination of Information

The Company maintains various methods of dissemination of information and has established a website at www.keyasic.com from which shareholders and the general public may access among others, the latest information on the activities of the Group; product information; announcements made to Bursa Securities; Annual Report; Board Charter and other policies of the Group.

3. Encourage Shareholder Participation at General Meetings

The Board recognises the importance of communication with its shareholders and will take additional measures to encourage shareholders' participation at general meetings as recommended by the Code.

This includes the Chairman highlighting to shareholders and proxy holders, their right to speak up at general meetings and the conduct of poll voting for all resolutions tabled at general meetings.

The Notice of the Nineteenth AGM ("19th AGM") was issued to the shareholders on 30 September 2024, being more than 28 days in advance of the scheduled AGM which was held on 18 November 2024. The shareholders are also made available with a copy of the Company's Annual Report and the Circular to Shareholders in order for them to have sufficient time to read and understand the Company's financial and non-financial performance before the meeting.

The 19th AGM of the Company was held virtually through live streaming from the broadcast venue. Shareholders and proxies participated at the 19th AGM remotely using the Remote Participation and Voting facilities without the need to be physically present at the meeting venue.

Pursuant to the Listing Requirements, any resolution set out in the notice of any general meeting, or in any notice of resolutions which may properly be moved and is intended to be moved at any general meeting, must be voted by poll. Voting for all resolutions as set out in the Notice of 19th AGM held on 18 November 2024 were voted by poll and validated by an Independent Scrutineer.

4. Effective Communication and Proactive Engagement

The AGM also provides an effective means of communication with the shareholders where they are encouraged to participate in the open question and answer session during the AGM. The Chairman also provides sufficient time for the open question and answer session during the AGM. The Board responded to the questions submitted by the Minority Shareholders Watch Group and the live questions posted from the shareholders at the 19th AGM. The minutes of the 19th AGM was uploaded to the Company's website within 30 business days from the date of the meeting.

Shareholders or potential investors can also send their enquiry to the Company via the Company's website at www.keyasic.com or may contact the Company via the following:-

Tel No : +603-7664 3300
Fax No : +603-7664 3301
Email : info@keyasic.com

This CG Overview Statement was approved by the Board of the Company on 19 September 2025.



STATEMENT ON DIRECTORS' RESPONSIBILITY

It is the Board's responsibility to ensure that the financial statements are prepared in accordance with the Companies Act, 2016 and the applicable approved accounting standards set by Malaysian Accounting Standard Board so as to present a balanced and fair assessment of the Group's financial position and prospects. The Directors are also responsible for keeping proper accounting records, safeguarding the assets of the Company and taking reasonable steps to prevent and enable detection of fraud and other irregularities.

In preparing the financial statements, the Directors have taken the necessary steps and actions as follows:-

- (a) selecting suitable accounting policies and then applying them consistently. This is done through discussion with the current reporting auditor if there is any changes in the accounting standard that may affect the way of the financial statement is presented;
- (b) stating whether applicable accounting standards have been followed;
- (c) making judgments and estimates that are reasonable and prudent. The Board makes judgment and estimate by carefully considering all aspects of the variables concerned and especially in the case of sustainability on the book value of the intangible assets; and
- (d) preparing the financial statements on a going concern basis, having made reasonable enquiries and assessment on the resources of the Company on its ability to continue further business in foreseeable future.

SUSTAINABILITY STATEMENT

Sustainability is a strategic pillar of Key ASIC Berhad and is fundamental to our long-term business success. It is embedded in daily operations, with health and safety at the core of our organisational culture. This commitment guides employee behaviour and shapes our engagement with the communities in which we operate. Through regular dialogues, socioeconomic footprint studies, and community activities, we continuously seek feedback to understand and improve the impact of our operations.

The Board of Directors has ultimate oversight of the Company's sustainability agenda, setting strategic direction and monitoring progress in achieving sustainability objectives. Supporting the Board is the Sustainability Committee, established on 19 January 2023, which formulates sustainability strategies, oversees corporate sustainability policies, and monitors performance. Senior Management ensures effective execution, while divisional heads identify, monitor, and manage sustainability-related risks and opportunities.

This Sustainability Statement covers Key ASIC Berhad's operations in Malaysia and Taiwan, including key value chain activities and supplier engagements. Material sustainability matters are identified through stakeholder engagement and management reviews. Key indicators tracked include energy consumption, water usage, waste management, occupational health and safety, and workforce diversity. The Group is progressively establishing short- and medium-term ESG targets, with performance disclosed on an annual basis.

OVERVIEW AND SCOPE OF SUSTAINABILITY AT KEY ASIC BERHAD

Sustainability
Statement
(cont'd)

VISION

The Company aspires to be recognised as a responsible and forward-looking leader in the industry, guided by Environmental, Social, and Governance (ESG) principles. We are committed to fostering sustainable growth, creating long-term stakeholder value, and contributing to a better future for the communities we serve.

We pursue this vision by:

1. Building trusted relationships with stakeholders through open and transparent engagement.
2. Aligning operations with global sustainability standards, including Bursa Malaysia's Sustainability Reporting Guide and IFRS Sustainability Disclosure Standards (S1 and S2).
3. Promoting ethical and responsible behaviour across our value chain, including continuous supplier assessments based on ISO standards and ESG criteria.
4. Supporting innovation and knowledge development that drive positive impact, with a portion of annual expenditure dedicated to R&D in sustainable technology and healthcare solutions.
5. Continuously refining our ESG approach to ensure relevance and resilience, supported by short- and medium-term targets in areas such as carbon management, workplace diversity, and employee well-being.

CORE OBJECTIVE

The Company is committed to integrating sustainability into our operations and value chain, focusing on Environmental, Social, and Governance (ESG) principles while maintaining practical and cost-effective measures.

Environment	Social	Governance
• Minimise waste generation and enhance recycling and resource efficiency. • Reduce energy consumption and explore renewable energy opportunities. • Encourage sustainable commuting practices. • Ensure responsible sourcing and procurement, favouring environmentally friendly products. • Manage and report environmental performance for continual improvement.	• Foster a safe, inclusive, and supportive work environment. • Promote equal opportunities, fair treatment, and employee development. • Support education and talent development through training, internships, and academic partnerships. • Engage with local communities through outreach and volunteer initiatives. • Encourage responsible and ethical practices among suppliers and business partners.	• Ensure compliance with laws, regulations, and industry standards. • Maintain open and transparent communication with stakeholders. • Uphold independence and diversity of the Board in guiding ESG priorities. • Identify and manage ESG-related risks and opportunities. • Report regularly on ESG performance and progress.

BOARD'S ROLES IN SUSTAINABILITY

The Board adopts a medium- to long-term perspective when considering technology trends and ESG matters in shaping corporate strategies. It regularly reviews the Company's strategic direction and operational progress, taking into account business, political, and sustainability-related risk factors.

The Board recognises the importance of embedding sustainability considerations into the Group's operations to support long-term performance and stakeholder value. It also values a diverse and skilled workforce and promotes an inclusive workplace culture through recruitment, training, appointments, retention, and succession planning.

The Sustainability Committee is responsible for formulating ESG strategies, overseeing policy implementation, and monitoring progress against established targets where applicable. Senior Management supports the execution of these strategies, while divisional heads are responsible for identifying and managing ESG-related risks and opportunities within their areas and reporting to the Committee and Board.

The Group is in the process of progressively establishing measurable ESG indicators and monitoring mechanisms, which will be disclosed in future reporting periods as part of the ongoing improvement of its sustainability practices.

Sustainability
Statement
(cont'd)

STAKEHOLDERS REVIEW & ENGAGEMENT

Stakeholder Group	Engagement Methodology	Frequency of engagement
Customers	Customer feedback management	Regular
	Complaint management	Regular
	Market analysis & trend	Regular
Vendors	ISO-based evaluation	Annually
	Supplier relationship management	Regular
Governance & Regulators	Formal meetings/visits	Ad-hoc
	Licensing, audits & inspections	Ad-hoc
	Anti-bribery and corruption awareness	Annually
	Director training programmes	Annually
Employees	Performance appraisal	Annually
	Dialogue and engagement	Weekly
	Health and safety awareness	Regular
	Employee engagement programmes	Regular
Shareholders	Annual Report	Annually
	Annual General Meetings	Annually
	Interim result announcements	Quarterly

MATERIAL SUSTAINABILITY & RELEVANT ACTION PLAN

The Company has identified the following material sustainability matters through management reviews, contextual assessments, and engagement with stakeholders. These matters represent key risks and opportunities relevant to the Group's business and long-term sustainability.

Pillar	Material Matters	Relevant Action Plan
Economics	Commitment to Research & Development and innovation, particularly in Artificial Intelligence (AI) for medical and security applications	Continue to invest in R&D within available resources; collaborate with research institutions and industry experts where applicable.
	Customer satisfaction and complaint management	Maintain and enhance customer feedback channels; ensure quality assurance procedures are in place.
	Sustainable value chain management	Conduct periodic ISO-based audits and supplier evaluations; encourage suppliers to align with ESG considerations.
Social Responsibility	Workforce diversity & human right protection	Implement inclusive HR policies; provide training and upskilling opportunities where feasible; follow fair recruitment practices.
	Occupational Safety & Health management	Enforce OSH policies; conduct safety awareness sessions and drills as appropriate
Environmental Stewardship	Product and service responsibility with focus on safety and compliance	Apply product safety checks and certification where relevant; monitor compliance with applicable standards.
	Regulatory compliance	Monitor compliance requirements and conduct internal reviews; provide employee training on environmental and governance regulations as appropriate.

Sustainability
Statement
(cont'd)

KEY BENEFITS FROM INTEGRATING SUSTAINABILITY

Pillar	Key Benefits
Economics	- Supporting risk management across the Group by incorporating risk-based considerations where appropriate. - Maintaining business operations while responding to stakeholder expectations, including quality and sustainability considerations. - Encouraging continuous improvement and responsible innovation in products and services. - Ensuring compliance with relevant regulations and standards. - Aligning ESG considerations with stakeholder engagement to support long-term business continuity.
Social	- Providing a safe and supportive working environment that encourages employee engagement and development. - Promoting transparency, integrity, and open communication within the workplace.
Environmental	Upholding environmental responsibility by complying with relevant regulations and promoting awareness of sustainable pra The Company incorporates sustainability considerations into its core business operations where feasible, aiming to support the well-being of employees, stakeholders, and the wider community, as well as to promote responsible environmental practices. Efforts are focused on maintaining safe and supportive workplaces, engaging with stakeholders through appropriate channels, and implementing measures to reduce environmental impact within the scope of the Group's office-based operations. Notes: - Specific initiatives and measurable outcomes are progressively being developed and will be reported in future sustainability statements. - This approach ensures transparency and aligns with the Group's ongoing efforts to improve sustainability management. - ctices

Notes:

- Benefits are based on current policies and practices, with the understanding that the Group is progressively developing measurable ESG indicators and performance tracking.
- This approach ensures transparency while reflecting the Group's ongoing efforts in sustainability.

SUSTAINABILITY INITIATIVES

The Company incorporates sustainability considerations into its core business operations where feasible, aiming to support the well-being of employees, stakeholders, and the wider community, as well as to promote responsible environmental practices.

Efforts are focused on maintaining safe and supportive workplaces, engaging with stakeholders through appropriate channels, and implementing measures to reduce environmental impact within the scope of the Group's office-based operations.

Notes:

- Specific initiatives and measurable outcomes are progressively being developed and will be reported in future sustainability statements.
- This approach ensures transparency and aligns with the Group's ongoing efforts to improve sustainability management.

COMMUNITY & SOCIAL INITIATIVES

During the financial year under review, the Group undertook initiatives to support employees, local communities, and environmental sustainability, in line with its commitment to responsible corporate citizenship. These initiatives are overseen by the Sustainability Committee, with coordination and execution by the Human Resources and Corporate Communications departments. Divisional heads are responsible for managing activities within their respective areas and reporting outcomes to Senior Management.

Key focus areas include:

1. **Workplace Enhancement** – Maintaining a safe and supportive work environment that fosters employee growth, career development, and overall well-being. Policies and programmes are periodically reviewed by HR to ensure alignment with occupational health and safety standards.
2. **Community Engagement** – Supporting outreach programmes and partnerships that benefit local communities, particularly in healthcare awareness and preventive initiatives. Notably, Key ASIC Berhad co-organised the iHealth Awareness Program with UCrest Berhad, conducting eye health screenings at 16 elderly care centres. A total of 380 elderly individuals were examined using a fundus camera. Six employees participated, contributing approximately 40 volunteer hours. These activities are planned and recorded systematically, with outcomes monitored to inform future initiatives and identify potential areas for improvement.
3. **Environmental Conservation** – Promoting responsible environmental practices within office operations, such as waste reduction, energy efficiency, and water conservation, in accordance with internal guidelines and relevant regulations.

Significance and Ongoing Monitoring

- These initiatives are considered material to the Group as they contribute to social well-being, employee engagement, and the Group's long-term resilience.
- The Group is progressively establishing mechanisms to track participation, measure outcomes, and set targets for community and social activities, which will be reported in future sustainability statements.

WORKPLACE & PEOPLE DEVELOPMENT

The Group considers its employees as key assets and is committed to providing a safe and supportive work environment that complies with occupational health and safety standards. Workplace policies are overseen by the Human Resources department, with periodic review and guidance from Senior Management and the Sustainability Committee to ensure alignment with relevant regulations and best practices.

Key practices include:

1. **Open Communication** – The Group maintains an open-door policy, enabling employees to communicate directly with their supervisors. Feedback channels are monitored and periodically reviewed to support improvements in work processes and the overall workplace environment.
2. **Employee Engagement** – Periodic communication sessions and engagement programmes are conducted to share the Company's strategic direction and address employee feedback.
3. **Health and Safety** – Safety policies and awareness programmes are implemented to ensure a compliant and secure workplace.

Monitoring and Continuous Improvement

- These initiatives are subject to ongoing review to ensure effectiveness and to identify opportunities for enhancement.
- While specific outcomes such as engagement scores or retention rates are progressively being tracked, the Group ensures transparency and consistency in maintaining a safe, inclusive, and productive workplace throughout the year.

Sustainability
Statement
(cont'd)

VENDOR SUSTAINABILITY MANAGEMENT

The Group recognises that sustainability within the supply chain contributes to resilient business operations. Supplier management is overseen by the Procurement department, with guidance from Senior Management and reporting to the Sustainability Committee to ensure alignment with ethical and regulatory standards.

Key practices include:

- 1. Supplier Selection and Evaluation** – Suppliers are selected in line with ISO standards. Annual ISO audits verify compliance with regulatory and ethical requirements.
- 2. Local Supplier Engagement** – For the financial year ended 31 May 2025, total procurement spend was RM9,798,613, of which RM1,870,279 (19.09%) was with Malaysia-registered local suppliers, reflecting support for the local economy and maintaining supply chain resilience.

Monitoring

- Supplier performance is monitored as part of the ISO audit process.
- Mechanisms to further track supplier sustainability performance are being progressively developed for future reporting periods.

Procurement Spend	Amount (RM)	% of Total
Local suppliers	1,870,279	19.09
Non-local suppliers	7,928,334	80.91
Total	9,798,613	100

ENVIRONMENT MANAGEMENT

Energy and Emissions

The Group remains committed to environmental conservation, promoting energy-efficient practices to reduce its carbon footprint. Employees are encouraged to switch off unused equipment, use energy-saving lighting, and maximise electronic communication.

For the financial year ended 31 May 2025, total electricity consumption across Malaysia and Taiwan offices amounted to 174,004 kWh, which is estimated to be approximately 90 tonnes of CO₂e (Scope 2 emissions) based on standard emission factors. The Group has no Scope 1 emissions and has not quantified Scope 3 emissions from business travel and employee commuting.

Location	Energy Consumption (kWh)	Scope 2 Emissions (tCO ₂ e)
Malaysia Office	46,641	27
Taiwan Office	127,363	63
Total	174,004	90

Sustainability
Statement
(cont'd)

Water Conservation

Water conservation remains a key focus for the Group. Employees are made aware of responsible water usage, and measures are taken to manage potential leaks and wastage within office premises.

For the financial year ended 31 May 2025, total water consumption across Malaysia and Taiwan offices amounted to 5,485 m³.

Location	Water Consumption (m ³)
Malaysia Office	370
Taiwan Office	5,115
Total	5,485

Waste Management

Responsible waste management is emphasised to mitigate environmental impacts and protect public health. The Group focuses on safe waste handling practices and promotes recycling and reduction of office-generated waste, reflecting its commitment to sustainable operations and positive community contribution.

As the Group does not operate manufacturing facilities, total waste generated is limited to office operations. Quantitative data on waste (in metric tonnes) is currently not available, and mechanisms to track and report office waste are being established for future reporting

HEALTH AND SAFETY

At Key ASIC Berhad, we are committed to fostering a strong safety culture. The Group monitors employee incidents and identifies trends and key risk areas, including injuries, needle-stick incidents, falls, mobility-related cases, occupational health issues, infection-related incidents, and exposure to bodily fluids.

Our safety management framework encompasses submission of health and safety recommendations regarding workplace conditions, and continuous improvement of occupational health and safety standards through lessons learned, ongoing training, and guidance for staff and management.

For the financial year ended 31 May 2025, the Group is pleased to report zero work-related fatalities and a zero lost-time incident rate, reflecting our commitment to a safe and healthy workplace.

EMPLOYEES' WELFARE

The Group is committed to attracting and retaining talent by providing a conducive and supportive working environment. This includes competitive compensation and benefits, a culture that promotes teamwork, innovation, and continuous improvement, as well as initiatives that foster employee engagement and well-being.

All eligible employees are offered participation in the Employee Share Option Scheme ("ESOS") to instill a sense of ownership. Medical benefits, group hospitalisation, and insurance coverage are also provided to support employees' health and well-being.

These initiatives demonstrate the Group's dedication to valuing, motivating, and supporting employees, contributing to workforce stability and the overall sustainability of the Company.

Sustainability
Statement
(cont'd)

TRAININGS AND DEVELOPMENT

Key ASIC Berhad provides both internal and external training programmes to enhance employees' skills and competencies. These initiatives offer valuable opportunities for professional growth and career development, supporting a motivated, skilled, and dedicated workforce.

DIVERSITY

Key ASIC Berhad recognises that its employees are critical to the success of its operations. The Group embraces workplace diversity in terms of age, gender, ethnicity, and social background. By fostering a diverse workforce, the Group leverages different experiences and perspectives, promoting creativity and enabling innovative solutions to market and customer challenges.

The following tables summarise our employee diversity profile for the financial year ended 31 May 2025:

Employee Category	Male	Female
Management	22%	8%
Executive	36%	34%

Employee by age group for financial year ended 31 May 2025:

Age group	Gender						Ethnicity							
	Male	%	Female	%	Total	%	Malays	%	Chinese	%	Others	%	Total	%
21-30	5	24	6	40	11	31	7	29	2	33	2	33	11	31
31-40	5	24	6	40	11	31	5	21	2	33	4	67	11	31
41-50	9	43	3	20	12	33	11	46	1	17	–	–	12	33
51-60	1	5	–	–	1	3	–	–	1	17	–	–	1	3
61-70	1	5	–	–	1	3	1	4	–	–	–	–	1	3
	21	100	15	100	36	100	24	100	6	100	6	100	36	100

Director by age group for financial year ended 31 May 2025:

Age group	Gender						Ethnicity							
	Male	%	Female	%	Total	%	Malays	%	Chinese	%	Indian	%	Total	%
41-50	–	–	1	100	1	20	–	–	1	25	–	–	1	20
51-60	–	–	–	–	–	–	–	–	–	–	–	–	–	–
61-70	3	75	–	–	3	60	1	100	2	50	–	–	3	60
71-80	1	25	–	–	1	20	–	–	1	25	–	–	1	20
	4	100	1	100	5	100	1	100	4	100	–	–	5	100

STATEMENT OF ASSURANCE

This Sustainability Statement has not been independently verified or subjected to any external assurance process.

Sustainability
Statement
(cont'd)

PERFORMANCE DATA

Key ASIC Berhad provides mandatory ESG disclosures in compliance with the Listing Requirements, in alignment with the updated Sustainability Reporting Guide. The table below presents the Group's performance data across key sustainability matters for the financial year ended 31 May 2025. This data reflects our commitment to transparency, accountability, and continual improvement in environmental, social, and governance (ESG) performance.

Indicator	Measurement Unit	2025
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive/Technical Staff	Percentage	0.00
General Workers	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	380
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	81.82
Management Above 50	Percentage	18.18
Executive Under 30	Percentage	40.00
Executive Between 30-50	Percentage	60.00
Executive Above 50	Percentage	0.00
Non-executive/Technical Staff Under 30	Percentage	0.00
Non-executive/Technical Staff Between 30-50	Percentage	0.00
Non-executive/Technical Staff Above 50	Percentage	0.00
General Workers Under 30	Percentage	0.00
General Workers Between 30-50	Percentage	0.00
General Workers Above 50	Percentage	0.00
Gender Group by Employee Category		
Management Male	Percentage	72.73
Management Female	Percentage	27.27
Executive Male	Percentage	52.00
Executive Female	Percentage	48.00
Non-executive/Technical Staff Male	Percentage	0.00
Non-executive/Technical Staff Female	Percentage	0.00
General Workers Male	Percentage	0.00
General Workers Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
Under 30	Percentage	0.00
Between 30-50	Percentage	20.00
Above 50	Percentage	80.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	174.00



Sustainability Statement (cont'd)

Performance Data (cont'd)

Indicator	Measurement Unit	2025
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	36
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	51
Executive	Hours	113
Non-executive/Technical Staff	Hours	0
General Workers	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	11.11
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	1
Executive	Number	5
Non-executive/Technical Staff	Number	0
General Workers	Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	19.09 *
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	0.548500
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	0.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	0.00
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	0.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	90.00
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

1. Introduction

The Board is pleased to present its Statement on Risk Management and Internal Control which outlines the nature and scope of the risk management and internal control of the Group for the financial year 31 May 2025. This Statement on Risk Management and Internal Control is issued in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on the status of the Group's compliance with the principles and best practices relating to risk management and internal control as stipulated in the Malaysian Code of Corporate Governance ("**the Code**").

The Board is committed to maintaining a sound system of internal control of the Company and is pleased to provide the following statement, which outlines the nature and scope of internal control of the Company during the year.

2. Board Responsibilities

The Board recognises the importance of sound internal controls and risk management in safeguarding the assets of the Group. However, such systems are designed to manage rather than eliminate the business risk totally. It should be noted that any system could provide only reasonable and not absolute assurance against material misstatement or fraud.

The Group has in place an on-going process to identify, evaluate, monitor and manage any significant risks through the internal controls set out in order to attain a reasonable assurance that business objectives have been met. These controls are regularly reviewed by the Board and subject to continuous improvement.

3. Risk Management Framework

The Board has established an organisation with clearly defined lines of accountability and delegated authority.

The Group has put in place an Enterprise Risk Management framework ("**ERM**") where risk analysis of the Group is conducted on a regular basis including constantly reviewing the process in identifying, evaluating and putting up necessary action to assess and monitor the impacts of the risk on the operation and business. The process requires management to comprehensively identify and assess all types of risks in terms of likelihood and magnitude of impact as well as to address the adequacy and application of mechanisms in place to manage, mitigate, avoid or eliminate these risks. Key ASIC Berhad is certified under the ISO9001:2015, hence it is part of the company's duty to take precautionary and preventive actions to minimize or eliminate some of the recognised potential risks.

The framework is applied to determine, evaluate and manage principal risks of the Group. This is complemented by the system of internal control that is integrated into the Group's operations and processes. The Group reviews and analyses various principal risks likely to be encountered, and in particular the following risks which are more pertinent to the Group:

Information Technology ("**IT**") Risk

Confidential files and intellectual property information of the Group are stored and protected in the Group's servers located in Malaysia and Taiwan. Virus attack and hacking threats are imminent in this modern world and it is part of the IT risk that the Company is constantly facing.

The Group has taken precautionary security measures to protect its own servers by having proper IT security such as firewall and anti-virus software to prevent unauthorised access to its computers systems, virus attack and ward off potential hackers. In order to maintain the continuity of the business, both servers in Malaysia and Taiwan are backup periodically.

Statement of Risk Management and
Internal Control

(cont'd)

3. Risk Management Framework (cont'd)

Intellectual Property ("IP") Risk

It is part of the core business competency of the Group to create intellectual property and to derive new product from existing and most of the time through licensing of 3rd party IP. Unauthorised use or sharing of IP from the Group's library will have material impact to the Group financially and may expose the Company to international lawsuit.

In recognising the threats, the Group has put up several procedures to secure and limit the access to the Group's IP server to only authorised personnel within the Group. On top of that, all employees are compulsory to sign IP non-disclosure agreement upon accepting job offers within the Group.

Production Risk

The Company outsources its microchip or wafer production to external parties and product delivery to our customers could be affected by machine breakdown due to fire or major natural disaster.

The Company is taking precaution action to work closely with our outsourced partners to ensure that they have a contingency plan for any outcome, to minimise or eliminate any risk that could jeopardise any delivery to our customers. It is also part of the Company's action plan to continue sourcing for alternative sources to ensure uninterrupted production delivery to our customers.

Design Development Risk

Our engineers engage closely with customers in developing IP as part of the deliverable in our IP design service contract with them. It is part of the design development risk that the outcome of the final design could have different characters than the intended one. The failure to comply with the requirements as specified in the customer design service contract will have a huge impact to the Company's financials as unnecessary costs may have to be incurred in order to rectify any design flaw.

The Company has documented system in place to avert design flaw that could jeopardise customer product by having design review, approval, validation and working closely with customers at every stage of design and development till mass production.

The process encompasses assessments and evaluations at business unit process level before being examined on a Group perspective.

The Group's risk management continues to be driven by the Chief Executive Officer and assisted by management. The Chief Executive Officer and management are responsible for identifying, evaluating and monitoring of risks and taking appropriate and timely actions to manage risk. These processes are embedded and carried out as part of the Group's operating and business management processes. External and relevant professionals would be drawn on to assist and provide advice to the management team when necessary. In order to ensure the objectivity of the review of the risk management and systems of internal control in the Group, the Audit Committee is instituted by the Board to undertake this role.

In conducting its review, the process is regularly reviewed by the Board via the Audit Committee ("AC") at the Board meeting with the assistance of the outsourced independent consulting firm Vaersa Advisory Sdn. Bhd. to further review and improve the existing internal control processes within the Group. The Group will continue to focus on the key risks and corresponding controls to ensure that they are able to respond effectively to the business changes and competitive environment.

Management further supplements the Audit Committee review on control and risk assessment when presenting the quarterly financial performance and results to the Audit Committee and the Board including pertinent explanations on the performance of the Group. With management consultation, the Audit Committee reviews and analyses the interim financial results in corroboration with management representations on operations and the performance of its subsidiaries as well as deliberates the annual report and audited financial statements before recommending these documents to the Board for approval.

Statement of Risk Management and
Internal Control
(cont'd)

4. Internal Control Framework

The key elements of the Group's internal control systems are described below:

- Quarterly monitoring of operational results against the budget for the Board's review and discussion;
- Regular and comprehensive information provided to the Board, covering financial performance and key business indicators;
- Regular updates of internal policies and procedures, to reflect changing risks or resolve operational deficiencies; and
- Regular management meeting with all key personnel of respective department to address weaknesses and improve efficiency.

The Board is of the view that there is no significant breakdown or weaknesses in the system of internal control of the Group that may have material impact against the operations of the Group for the financial year ended 31 May 2025.

The Company has implemented ISO 9001:2000 Quality Management Systems, where documented internal procedures and standard operating procedures have been put in place. Internal quality audits are carried out by the ISO Committee and annual surveillance audits are conducted by an independent certification body to provide a high assurance of compliance.

The Internal Audit adopts a risk-based approach based on COSO assessment model.

5. Management Responsibilities and Assurance

In accordance to the Bursa Securities' Guidelines, management is responsible to the Board for identifying risks relevant to the business of the Group's objectives and strategies; implementing and maintaining sound systems of risk management and internal control; and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Group achievement of its objectives and performance.

In producing this Statement, the Board has received assurance from the Chief Executive Officer that, to the best of their knowledge that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

6. Board Assurance and Limitation

The Board confirms that the process for identifying, evaluating and managing significant risks in the Group is on-going. For the financial year under review, there was no material loss resulting from significant control weaknesses. The Board is satisfied that the existing level of systems of internal control and risk management are effective to enable the Group to achieve its business objectives.

The Board wishes to reiterate that risk management and systems of internal control would be continuously improved in line with the evolving business development, it should be noted that all risk management systems and systems of internal control could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems of internal control and risk management in the Group could only provide reasonable but not absolute assurance against material misstatements, frauds and losses.



Statement of Risk Management and
Internal Control

(cont'd)

7. Review of the Statement by the External Auditors

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the External Auditors have reviewed the Statement on Risk Management and Internal Control for inclusion in the annual report for the financial year ended 31 May 2025. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 included in the Annual Report, issued by the Malaysian Institute of Accountants. AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

8. Conclusion

The Board recognises the necessity to monitor closely the adequacy and effectiveness of the Group's system of internal controls and risk management, taking into consideration the fast-changing business environment. Although the Board is of the view that the present risk management and internal control is adequately in place to safeguard the Company's assets and sufficient to detect any fraud or irregularities, the Board is on a constant watch for any improvement that may strengthen its current system from time to time.

The statement is made in accordance with a resolution of the Board of Directors dated 19 September 2025.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds raised from Corporate Proposal

Private Placement pursuant to the Authority for the Directors to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Company had at the Seventeenth AGM held on 25 November 2022 obtained the shareholders' approval for a general mandate to issue shares in the Company, representing not more than ten percent (10%) of the total number of issued shares of the Company. Subsequently, the Company had at the Eighteenth AGM held on 15 November 2023 obtained the shareholders' approval for a general mandate to issue up to ten percent (10%) of its total number of issued shares.

Bursa Malaysia Securities Berhad had on 19 April 2023, approved the listing and quotation of up to 157,213,700 new ordinary shares to be issued under the Private Placement pursuant to the general mandate. Subsequently, the Company had obtained the approval of Bursa Securities vide its letters dated 4 October 2023 and 18 April 2024, for an extension of time of 6 months from 19 October 2023 up to 18 April 2024 and for further extension of time of 6 months from 19 April 2024 up to 18 October 2024 respectively to complete the implementation of the Private Placement.

The above Private placement was completed on 18 October 2024.

2. Option, Warrant and Convertible Securities

Employees' Share Option Scheme ("ESOS")

The shareholders of the Company had at the Extraordinary General Meeting held on 31 March 2022, approved the establishment and the administration of an Employees' Share Option Scheme ("ESOS") and authorised the Company to allot and issue such number of new ordinary shares to the Eligible Persons from time to time pursuant the ESOS. The ESOS was implemented on 7 July 2022 for a period of five (5) years and will expire on 6 July 2027, unless extended further in accordance with the By-Laws of the ESOS.

Total number of options granted and exercised by the eligible Directors and employees of the Group and the outstanding options as at the financial year ended 31 May 2025 ("FYE 2025") are set out in the table below:-

Description	Directors	Senior Management/ Director of Subsidiary	Other eligible employees	Total
Outstanding options unexercised as at 1 June 2024	36,400,000	3,000,000	134,250,000	173,650,000
Options granted during FYE 2025	–	–	–	–
Options lapsed during the FYE 2025	–	–	3,800,000	3,800,000
Options exercised during the FYE 2025	–	900,000	901,000	1,801,000
Outstanding options unexercised as at 31 May 2025	36,400,000	2,100,000	134,250,000	168,049,000

Additional
Compliance Information
(cont'd)

2. Option, Warrant and Convertible Securities (cont'd)

As at FYE 2025, the details of allocations of options to the Directors are as follows:-

Name of Directors	Number of options unexercised as at 1 June 2024	During FYE 2025		Number of options unexercised as at 31 May 2025
		Number of options granted	Number of options exercised	
Chairman/Chief Executive Officer				
Eg Kah Yee	20,400,000	–	–	20,400,000
Independent Non-Executive Director				
Prof. Low Teck Seng	4,000,000 ⁽¹⁾	–	–	4,000,000 ⁽¹⁾
Chen, Chia-Yin	4,000,000 ⁽¹⁾	–	–	4,000,000 ⁽¹⁾
Datuk Md Zubir Ansori Bin Yahaya	4,000,000 ⁽¹⁾	–	–	4,000,000 ⁽¹⁾
Non-Independent Non-Executive Director				
Benny T. Hu @ Ting Wu Hu	4,000,000 ⁽¹⁾	–	–	4,000,000 ⁽¹⁾
Total	36,400,000	–	–	36,400,000

Note:

(1) 3,000,000 options granted to each of the Non-Executive Directors are subject to vesting period on a staggered basis of over a 36 months' period from the date of offer.

In accordance with the Company's ESOS By-Laws, the total number of new shares which may be made available under the ESOS Scheme shall not exceed 15% of the total number of issued shares of the Company (excluding any treasury shares) at any point of time during the existence of the ESOS for the eligible Directors and employees of the Group. The aggregate maximum allocation applicable to directors and senior management of the Group (excluding dormant subsidiaries) is not more than 70% as per the ESOS's By-Laws and the actual percentage granted to them since the commencement of the ESOS up to the FYE 2025 was 20.85%.

During the FYE 2025, the Company allotted 1,801,000 new ordinary shares pursuant to the ESOS and subsequent thereto, there were no new options granted and no new ordinary shares allotted arising from the exercise of options, under the ESOS as at the date of this report.

As at the date of this report, the unexercised options under the Company's ESOS are 166,849,000 options.

Other than as disclosed above, there were no warrants and convertible securities issued by the Company during the FYE 2025.

3. Material Contracts

Neither the Company nor its subsidiary have entered into any contract which are or may be material (not being contracts entered into in the ordinary course of business) involving Directors' and major shareholders' interests since the end of the previous financial year.

Additional
 Compliance Information
(cont'd)

4. Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature

The breakdown of aggregate value of RRPT transacted during the FYE 2025 are as follows: -

Transacting Party within Key ASIC Group	Related Party	Nature of the RRPT	Interested Related Parties	Actual Value Transacted during the financial year (RM)
Key ASIC Group (recipient of products and services)	UCH (provider of products and services)	IP Licensing, purchase of Software License and Hardware including installation, troubleshooting and outsourcing	Interested Director and Major Shareholder Eg Kah Yee Interested Person Connected Jonathan Chuan Jack Eg KAGL KAL	1,960,200

5. Sanctions or Penalties

There were no sanctions or material penalties imposed by any regulatory body to the Company and its subsidiaries, Directors or management.

6. Variance in Result

There was no material variation between the audited results for FYE 2025 and the unaudited results previously announced for the similar period.

DIRECTORS' REPORT

The directors of **KEY ASIC BERHAD** hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 May 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of turnkey ASIC (application-specific integrated circuit) design services, providing data processing, data management, disk-based back-up solutions, telecommunications, office automation, network infrastructure and intelligent storage network support.

The information on the name of the subsidiary companies, principal place of business, principal activities and effective interest held by the Company in its subsidiary companies is disclosed in Note 16 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	Group RM	Company RM
Loss before tax	(6,733,184)	(4,975,121)
Income tax expense	<u>(56,669)</u>	<u>-</u>
Loss for the financial year attributable to owners of the Company	<u>(6,789,853)</u>	<u>(4,975,121)</u>

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The directors do not recommend any dividend in respect of current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUANCE OF SHARES OR DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital from 1,398,061,250 units to 1,399,862,250 units by way of issuance of new ordinary shares pursuant to the following:

- (i) 1,800,000 options exercised under Employee Share Option Scheme (“ESOS”) at an exercise price of RM0.0267 per option; and
- (ii) 1,000 options exercised under Employee Share Option Scheme (“ESOS”) at an exercise price of RM0.0431 per option.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The abovementioned shares were issued prior to the share capital reduction exercise on 5 March 2025.

On 5 March 2025, the Company completed a share capital reduction exercise pursuant to Section 117 of the Companies Act, 2016. The issued share capital of the Company was reduced from RM69,718,867 to RM19,718,867 by way of offsetting against accumulated losses of RM50,000,000. The capital reduction does not involve any reduction in the number of ordinary shares in issue and has no effect on the Company’s net assets, cash flows or business operations.

There was no issuance of debentures during the financial year.

SHARE OPTIONS

No options were granted to any person to take up unissued shares of the Company during the financial year.

EMPLOYEE SHARE OPTION SCHEME (“ESOS”)

At an Extraordinary General Meeting held on 7 July 2022, the Company’s shareholders approved the establishment on an ESOS. The ESOS was implemented on 7 July 2022 for a period of five years and will expire on 6 July 2027, unless extended further.

The salient features and other details of the ESOS are disclosed in Note 24 to the financial statements.

Directors'
Report
(cont'd)

The options offered for the subscription of unissued ordinary shares and the respective exercise prices are as follows:

Grant date	Exercise price RM	Number of options				
		As at 01.06.2024	Granted	Exercised	Lapsed	As at 31.05.2025
9 May 2024	0.0431	75,400,000	-	(1,000)	(3,800,000)	71,599,000
7 October 2022	0.0267	98,250,000	-	(1,800,000)	-	96,450,000

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to amounts which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

As at the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

Directors'
 Report
(cont'd)

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company in the financial year in which this report is made.

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Eg Kah Yee*
 Benny T. Hu @ Ting Wu Hu
 Prof. Low Teck Seng
 Chen, Chia-Yin
 Datuk Md Zubir Ansori Bin Yahaya

* Director of the Company and its subsidiary companies

The director of the subsidiary companies in office during the financial year and during the period from the end of the financial year to the date of this report which has not been disclosed above is:

Thong Kooi Pin

The information required to be disclosed pursuant to Section 253 of the Companies Act, 2016 in Malaysia, is deemed incorporated herein by such reference to the financial statements of respective subsidiary companies and made a part hereof.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016 in Malaysia, the interests and deemed interests of the directors in office at the end of the financial year in the shares of the Company during the financial year are as follows:

	Number of ordinary shares			
	As at 01.06.2024	Bought	Sold	As at 31.05.2025
Interests in the Company				
Direct interests				
Eg Kah Yee	1,600,000	-	-	1,600,000
Indirect interests				
Eg Kah Yee [#]	325,869,500	-	-	325,869,500

Deemed interest by virtue of the interest in a corporation.



Directors'
Report
(cont'd)

	Number of Employee Share Option			As at 31.05.2025
	As at 01.06.2024	Granted	Exercised	
Direct interests				
Eg Kah Yee	20,400,000	-	-	20,400,000
Benny T. Hu @ Ting Wu Hu	4,000,000	-	-	4,000,000
Prof. Low Teck Seng	4,000,000	-	-	4,000,000
Chen, Chia-Yin	4,000,000	-	-	4,000,000
Datuk Md Zubir Ansori Bin Yahaya	4,000,000	-	-	4,000,000

By virtue of the interest in the shares and options of the Company, the above directors are also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act, 2016 in Malaysia.

DIRECTORS' BENEFITS

Since the end of previous financial year, none of the directors of the Company has received or become entitled to receive any benefits (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full time employee of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with any directors or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The details of directors' remuneration of the Group and of the Company for the financial year ended 31 May 2025 are set out below:

	Group RM	Company RM
Executive director:		
Salaries and other emoluments	360,182	-
Non-executive directors:		
Fees	144,000	144,000
ESOS expense	80,700	80,700
	<u>584,882</u>	<u>224,700</u>

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

IDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There was no indemnity given to or insurance effected for any directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016 in Malaysia.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company for the financial year ended 31 May 2025 are as follow:

	Group RM	Company RM
Auditors' remuneration		
Statutory audit	193,956	130,000
Non-audit services	5,000	5,000
	<u>198,956</u>	<u>135,000</u>



Directors'
Report
(cont'd)

AUDITORS

The auditors, Morison LC PLT, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the directors,

EG KAH YEE

DATUK MD ZUBIR ANSORI BIN YAHAYA

Petaling Jaya
19 September 2025

STATEMENT BY DIRECTORS

The directors of **KEY ASIC BERHAD** state that, in their opinion, the accompanying financial statements, are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2025 and of their financial performance and their cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board
in accordance with a resolution of the directors,

EG KAH YEE

DATUK MD ZUBIR ANSORI BIN YAHAYA

Petaling Jaya
19 September 2025



DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **THONG KOOI PIN**, the officer primarily responsible for the financial management of **KEY ASIC BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

THONG KOOI PIN
(MIA: 15167)

Subscribed and solemnly declared by the abovenamed **THONG KOOI PIN** at Petaling Jaya in the state of Selangor Darul Ehsan on 19 September 2025.

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KEY ASIC BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **KEY ASIC BERHAD**, which comprise the statements of financial position as at 31 May 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 62 to 126.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 May 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.



Independent
Auditors' Report
(cont'd)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in the audit
Impairment assessment of intangible assets Refer to Notes 3, 4 and 14 to the financial statements for the Group's and the Company's accounting policies on impairment of non-financial assets, key sources of estimation uncertainty and related disclosure. As at 31 May 2025, the Group's and the Company's carrying amount of intangible assets are RM11,891,410 and RM13,541,262, which represents 45% and 47% of the Group's and of the Company's total assets, respectively. The Group and the Company is required to assess at each reporting date whether there is any indication that the intangible assets may be impaired. If such indication exists, the Group and the Company shall estimate the recoverable amount of the intangible assets, which is the higher of fair value less cost to sell or value-in-use. We determined this to be a key audit matter given its magnitude to the Group's and the Company's total assets, as well as the estimation of the recoverable amount of the intangible assets involved significant judgements and estimates as follows: • bases of assumptions supporting the underlying cash flow projections. • discount rate applied.	Our audit procedures, amongst others, included the following: (i) Obtained an understanding of the relevant control over the process of identifying the impairment indicator and estimating the recoverable amount of intangible assets. (ii) Assessed and discussed with management on the reasonableness of the key bases and assumptions used in estimation of recoverable amount. (iii) Performed retrospective review to establish the reliability and reasonableness of the cash flow projections. (iv) Assessed the mathematical accuracy of the impairment assessment. (v) Performed the sensitivity of key assumptions by assessing the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

Independent
Auditors' Report
(cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent
Auditors' Report
(cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent
Auditors' Report
(cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Companies Act, 2016 in Malaysia, we report that the subsidiary company of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

Other Matters

- (a) The financial statements of the Group and of the Company for the financial year ended 31 May 2024 were audited by another firm of auditors who expressed an unqualified opinion on those financial statements on 20 September 2024.
- (b) This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MORISON LC PLT (AF 002469)
202206000028 (LLP0032572-LCA)
Chartered Accountants

OOI CHI YEE
03684/08/2026 J
Chartered Accountant

Petaling Jaya
19 September 2025



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MAY 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Revenue	5	14,949,281	22,928,492	3,738,737	3,195,057
Cost of sales	6	(9,798,613)	(17,956,064)	(89,380)	(2,756,468)
Gross profit		5,150,668	4,972,428	3,649,357	438,589
Other operating income	7	848,986	722,319	529,075	557,417
Administrative expenses		(3,761,606)	(5,230,151)	(2,263,701)	(3,640,980)
Other operating expenses		(5,953,911)	(11,186,050)	(3,880,071)	(4,092,303)
Net loss on impairment of financial instruments		(3,000,756)	(22,136)	(3,000,700)	(20,966)
Loss from operations		(6,716,619)	(10,743,590)	(4,966,040)	(6,758,243)
Finance costs	8	(16,565)	(31,292)	(9,081)	(22,673)
Loss before tax	9	(6,733,184)	(10,774,882)	(4,975,121)	(6,780,916)
Income tax (expense)/credit	11	(56,669)	3,803	-	-
Loss for the financial year		(6,789,853)	(10,771,079)	(4,975,121)	(6,780,916)
Other comprehensive income/(loss)					
<i>Items that is or may be reclassified subsequently to profit or loss</i>					
Exchange translation differences for foreign operations		(84,909)	(46,244)	-	-
Other comprehensive income/(loss) for the financial year		(84,909)	(46,244)	-	-
Total comprehensive loss for the financial year		(6,874,762)	(10,817,323)	(4,975,121)	(6,780,916)

Statements of Profit or Loss
 and Other Comprehensive Income
(cont'd)

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Loss for the financial year attributable to:					
Owners of the Company		<u>(6,789,853)</u>	<u>(10,771,079)</u>	<u>(4,975,121)</u>	<u>(6,780,916)</u>
Total comprehensive loss for the financial year attributable to:					
Owners of the Company		<u>(6,874,762)</u>	<u>(10,817,323)</u>	<u>(4,975,121)</u>	<u>(6,780,916)</u>
Loss per ordinary share attributable to owners of the Company (sen):					
Basic	12(a)	<u>(0.49)</u>	<u>(0.77)</u>		
Diluted	12(b)	<u>(0.47)</u>	<u>(0.74)</u>		

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF FINANCIAL POSITION

AS AT 31 MAY 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-Current Assets					
Plant and equipment	13	1,127,335	1,640,236	117,640	191,034
Intangible assets	14	11,891,410	7,987,661	13,541,262	7,897,115
Right-of-use assets	15	421,770	405,479	19,371	251,823
Investment in subsidiary companies	16	-	-	331,887	331,887
Total Non-Current Assets		13,440,515	10,033,376	14,010,160	8,671,859
Current Assets					
Inventories	17	1,279,496	1,125,639	-	-
Trade receivables	18	1,749,255	3,834,578	8,103,063	8,270,054
Other receivables	19	1,481,270	1,454,192	660,658	947,085
Amount due from a related party	20	123,324	111,074	-	-
Amount due from subsidiary companies	21	-	-	4,467,107	4,325,704
Tax recoverable		-	784	-	-
Deposit, cash and bank balances	22	8,132,550	17,315,168	1,611,336	11,414,044
Total Current Assets		12,765,895	23,841,435	14,842,164	24,956,887
Total Assets		26,206,410	33,874,811	28,852,324	33,628,746

Statements of
 Financial Position
(cont'd)

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	23	19,718,867	69,629,337	19,718,867	69,629,337
Reserves	24	3,559,653	3,420,048	3,973,202	3,748,688
Accumulated losses		(5,491,064)	(48,774,012)	(155,953)	(45,253,633)
Total Equity		<u>17,787,456</u>	<u>24,275,373</u>	<u>23,536,116</u>	<u>28,124,392</u>
Non-Current Liabilities					
Deferred tax liabilities	25	26,160	-	-	-
Lease liabilities	26	142,032	21,585	-	21,585
Total Non-Current Liabilities		<u>168,192</u>	<u>21,585</u>	<u>-</u>	<u>21,585</u>
Current Liabilities					
Trade payables	27	4,694,238	4,970,180	3,638,326	3,713,352
Other payables	28	2,137,408	3,110,291	471,676	344,109
Amount due to a subsidiary company	21	-	-	81,621	84,682
Amount due to directors	29	1,103,000	1,090,274	1,103,000	1,090,274
Lease liabilities	26	284,749	407,108	21,585	250,352
Tax liabilities		31,367	-	-	-
Total Current Liabilities		<u>8,250,762</u>	<u>9,577,853</u>	<u>5,316,208</u>	<u>5,482,769</u>
Total Liabilities		<u>8,418,954</u>	<u>9,599,438</u>	<u>5,316,208</u>	<u>5,504,354</u>
Total Equity and Liabilities		<u>26,206,410</u>	<u>33,874,811</u>	<u>28,852,324</u>	<u>33,628,746</u>

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MAY 2025

Attributable to the owners of the Company						
		Non-distributable		Distributable		
	Note	Share capital RM	Employee Share Option Scheme (“ESOS”) reserve RM	Foreign currency translation reserve RM	Accumulated losses RM	Total equity RM
Group						
As at 1 June 2023		69,403,203	2,003,299	(282,396)	(38,043,342)	33,080,764
Loss for the financial year		-	-	-	(10,771,079)	(10,771,079)
Other comprehensive loss for the financial year		-	-	(46,244)	-	(46,244)
Total comprehensive loss for the financial year		-	-	(46,244)	(10,771,079)	(10,817,323)
Transactions with owners:						
Issuance of shares under ESOS	23,24	226,134	(104,650)	-	-	121,484
Share option granted under ESOS	24	-	1,890,448	-	-	1,890,448
ESOS lapsed	24	-	(40,409)	-	40,409	-
Total transactions with owners		226,134	1,745,389	-	40,409	2,011,932
As at 31 May 2024		69,629,337	3,748,688	(328,640)	(48,774,012)	24,275,373

Statements of
 Changes In Equity
(cont'd)

		Attributable to the owners of the Company				
		Non-distributable		Distributable		
	Note	Share capital RM	Employee Share Option Scheme ("ESOS") reserve RM	Foreign currency translation reserve RM	Accumulated losses RM	Total equity RM
Group						
As at 1 June 2024		69,629,337	3,748,688	(328,640)	(48,774,012)	24,275,373
Loss for the financial year		-	-	-	(6,789,853)	(6,789,853)
Other comprehensive loss for the financial year		-	-	(84,909)	-	(84,909)
Total comprehensive loss for the financial year		-	-	(84,909)	(6,789,853)	(6,874,762)
Transactions with owners:						
Capital reduction	23	(50,000,000)	-	-	50,000,000	-
Issuance of shares under ESOS	23,24	89,530	(41,427)	-	-	48,103
Share option vested under ESOS	24	-	338,742	-	-	338,742
ESOS lapsed	24	-	(72,801)	-	72,801	-
Total transactions with owners		(49,910,470)	224,514	-	50,072,801	386,845
As at 31 May 2025		19,718,867	3,973,202	(413,549)	(5,491,064)	17,787,456



Statements of
Changes In Equity
(cont'd)

	Note	Attributable to the owners of the Company			Total equity RM
		Non-distributable	Employee Share Option Scheme ("ESOS") reserve RM	Distributable Accumulated losses RM	
Company					
As at 1 June 2023		69,403,203	2,003,299	(38,513,126)	32,893,376
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(6,780,916)	(6,780,916)
Transactions with owners:					
Issuance of shares under ESOS	23,24	226,134	(104,650)	-	121,484
Share option granted under ESOS	24	-	1,890,448	-	1,890,448
ESOS lapsed	24	-	(40,409)	40,409	-
Total transactions with owners		226,134	1,745,389	40,409	2,011,932
As at 31 May 2024		69,629,337	3,748,688	(45,253,633)	28,124,392
As at 1 June 2024		69,629,337	3,748,688	(45,253,633)	28,124,392
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(4,975,121)	(4,975,121)
Transactions with owners:					
Capital reduction	23	(50,000,000)	-	50,000,000	-
Issuance of shares under ESOS	23,24	89,530	(41,427)	-	48,103
Share option vested under ESOS	24	-	338,742	-	338,742
ESOS lapsed	24	-	(72,801)	72,801	-
Total transactions with owners		(49,910,470)	224,514	50,072,801	386,845
As at 31 May 2025		19,718,867	3,973,202	(155,953)	23,536,116

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MAY 2025

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS USED IN OPERATING ACTIVITIES				
Loss before tax	(6,733,184)	(10,774,882)	(4,975,121)	(6,780,916)
Adjustments for:				
Amortisation of intangible assets	827,428	1,247,573	883,138	1,243,170
Amortisation of right-of-use assets	483,073	501,311	232,452	232,453
Depreciation of plant and equipment	492,280	509,843	88,781	148,536
ESOS expenses	338,742	1,890,448	338,742	1,890,448
Impairment loss on trade receivables	3,000,756	35,956	3,000,700	34,786
Interest income	(270,124)	(456,004)	(171,998)	(323,008)
Interest expense	16,565	31,292	9,081	22,673
Inventories written down	-	177,729	-	-
Reversal of impairment loss on trade receivables	-	(13,820)	-	(13,820)
Reversal of inventories written down	(99,998)	-	-	-
Gain on unrealised foreign exchange	(488,156)	(266,315)	(342,917)	(234,409)
Loss on unrealised foreign exchange	521,200	36,208	546,482	-
Operating loss before changes in working capital	(1,911,418)	(7,080,661)	(390,660)	(3,780,087)
Changes in working capital:				
Inventories	(70,096)	588,063	-	-
Trade receivables	(928,686)	(306,284)	(2,858,321)	(2,076,536)
Other receivables	(37,659)	(126,930)	286,427	(49,522)
Trade payables	(16,081)	1,482,064	193,471	2,483,728
Other payables	(868,140)	253,986	127,567	30,059
Cash used in operations	(3,832,080)	(5,189,762)	(2,641,516)	(3,392,358)
Tax refunded	724	-	-	-
Income tax paid	-	(6,704)	-	-
Net cash used in operating activities	(3,831,356)	(5,196,466)	(2,641,516)	(3,392,358)



Statements of
Cash Flows
(cont'd)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS USED IN INVESTING ACTIVITIES				
Interest received	270,124	456,004	132,052	323,008
Purchase of plant and equipment	(21,643)	(1,350,783)	(15,387)	(37,361)
Purchase of intangible assets	(4,729,917)	(86,565)	(6,527,285)	-
Advances to a related party	(23,015)	(70,052)	-	-
Placement of pledged time deposits	(71,736)	(75,636)	-	-
Withdrawal of pledged deposits	75,636	77,491	-	-
Advances to subsidiary companies	-	-	(367,805)	(2,043,867)
Net cash used in investing activities	(4,500,551)	(1,049,541)	(6,778,425)	(1,758,220)
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES				
Advances from directors	12,726	82,134	12,726	82,134
Advances from a subsidiary company	-	-	-	63,993
Proceeds from issuance of ordinary shares pursuant to exercise of ESOS	48,103	121,484	48,103	121,484
Repayments of lease liabilities	(501,324)	(495,953)	(250,352)	(227,757)
Finance cost paid	(16,565)	(31,292)	(9,081)	(22,673)
Net cash (used in)/from financing activities	(457,060)	(323,627)	(198,604)	17,181
NET CHANGES IN CASH AND CASH EQUIVALENTS	(8,788,967)	(6,569,634)	(9,618,545)	(5,133,397)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	17,239,532	23,587,710	11,414,044	16,313,032
Effect of exchange translation differences on cash and cash equivalents	(389,751)	221,456	(184,163)	234,409
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	8,060,814	17,239,532	1,611,336	11,414,044

Statements of
 Cash Flows
(cont'd)

The details of cash and cash equivalents are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	8,060,814	17,239,532	1,611,336	11,414,044
Deposits placed with licensed banks	<u>71,736</u>	<u>75,636</u>	<u>-</u>	<u>-</u>
	8,132,550	17,315,168	1,611,336	11,414,044
Less: Time deposits pledged with licensed banks	<u>(71,736)</u>	<u>(75,636)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents	<u><u>8,060,814</u></u>	<u><u>17,239,532</u></u>	<u><u>1,611,336</u></u>	<u><u>11,414,044</u></u>

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MAY 2025

1. GENERAL INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are engaged in the business of turnkey ASIC (application-specific integrated circuit) design services, providing data processing, data management, disk-based back-up solutions, telecommunications, office automation, network infrastructure and intelligent storage network support.

The information on the name of the subsidiary companies, principal place of business, principal activities and effective interest held by the Company in its subsidiary companies is disclosed in Note 16.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal place of business of the Company is located at 6th Floor, Unit 3, 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan.

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on 19 September 2025.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Adoption of amendments to MFRSs

During the financial year, the Group and the Company have adopted the following applicable amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

Notes to the
Financial Statements
(cont'd)

The adoption of these amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and have no any significant effect on the financial statements of the Group and of the Company.

New MFRSs and amendments to MFRSs in issue but not yet effective

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

Amendments to MFRS 121	Lack of Exchangeability ¹
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to MFRSs	Annual Improvements to MFRS Accounting Standards - Volume 11 ²
MFRS 18	Presentation and Disclosure in Financial Statements ³
MFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective date deferred to a date to be determined and announced by MASB.

The directors anticipate that the abovementioned new MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective, if applicable, and that the adoption of the new MFRSs and amendments to MFRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of accounting

The financial statements of the Group and of the Company have been prepared on the historical cost basis unless otherwise indicated in the accounting policy information below.

Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest RM, unless otherwise stated.

Notes to the
Financial Statements
(cont'd)

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meet the definition of the business and control and transferred to the Group.

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less accumulated impairment losses. Contributions to subsidiary companies are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiary companies.

Foreign currency transactions and operations

Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities at the exchange rates prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Notes to the
Financial Statements
(cont'd)

Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

Revenue recognition

The Group and the Company recognise revenue from the following sources:

Sale of hardware and software

Revenue from the sale of hardware, including the mass production of wafers and chips (Recurring Engineering, “RE”), is recognised at a point in time when control of the goods is transferred to the customer. Control is generally considered to have been transferred upon delivery of the products and acknowledgement of acceptance by the customer.

Revenue from software licences is also recognised at a point in time, typically when the software is made available to the customer, whether immediately activated or ready for activation at a later stage.

Rendering of services

Revenue from Non-Recurring Engineering (“NRE”) services, which mainly comprise ASIC design services, design files and tape-out packages, is recognised over time as the performance of the Group and the Company do not create an alternative use and the Group and the Company have enforceable right to payment for performance completed to date.

Revenue from intercompany design support and consultation services is recognised over time as the subsidiaries simultaneously receive and consume the benefits from these services as they are provided.

Revenue from other services, such as feasibility studies, consultation services, packaging and testing fees, is recognised at a point in time, when the service has been completed and the deliverables are transferred and accepted by the customer.

Revenue is made with a trade term which due immediately or ranges from 30 to 60 days from the date of invoice.

Notes to the
Financial Statements
(cont'd)

Employee benefits

Share-based payments

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

For options granted to the employees of the subsidiary companies, the fair value of the options granted is recognised as cost of investment in the subsidiary companies over the vesting period with a corresponding adjustment to equity in the Company's financial statements.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original terms, if any, in the profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

In accordance with the Labor Pension Act in Taiwan, the Group makes monthly contributions of not less than 6% of employees' wages to employees' individual pension accounts with the Bureau of Labor Insurance. Once the contributions are made, the Group has no further legal or constructive obligations. The contributions are recognised as an expense in the profit or loss as incurred.

Notes to the
 Financial Statements
(cont'd)

Plant and equipment

All items of plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets at the following annual rates:

Computers	5 years
Furniture and fittings	10 years
Office equipment	2 - 10 years
Renovation	10 years
Tool equipment	5 years
Machinery	3 - 5 years
Leasehold improvement	5 years

Intangible assets

Intangible assets that are acquired by the Group and the Company, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation of intangible assets is calculated so as to write off the cost or valuation of the assets to their residual values on a straight line basis over the expected useful lives of the assets, summarised as follows:

Development costs	5 years
Intellectual property and software licenses rights	20 - 25 years
Patents	15 - 20 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

The policy of recognition and measurement of impairment losses is in accordance with the note on impairment of non-financial assets.

Leases

As lessee

The Group and the Company recognise a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprise the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities.

Notes to the
Financial Statements
(cont'd)

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis of plant and equipment as follow:

Buildings	2 - 3 years
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The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates.

The Group and the Company remeasure the lease liability (and make a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term is has changed, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate asset, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

Inventories

Inventories are valued at the lower of costs and net realisable values.

Costs of inventories comprise costs of purchase and other costs of bringing it to their present locations and conditions are determined on weighted average basis. Cost of finished goods and work-in progress consists of direct material, direct labour and an appropriate proportion of production overheads.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's and the Company's statements of financial position when the Group and the Company become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to the
Financial Statements
(cont'd)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Group and the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group and the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group and the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Notes to the
Financial Statements
(cont'd)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired. For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit impaired financial assets, the Group and the Company recognise interest income by applying the credit adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

Notes to the
Financial Statements
(cont'd)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Impairment

Non-financial assets

The carrying amount of non-financial assets (excluding inventories), are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets of cash-generating units ("CGUs").

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

Financial assets

The Group and the Company recognise loss allowance for expected credit loss ("ECL") on financial assets measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group and the Company recognise lifetime ECL for trade receivables. The Group and the Company consider past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

Notes to the
Financial Statements
(cont'd)

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Reversal of impairment loss to profit or loss, if any, is restricted to not exceeding what the amortised cost would have been had the impairment not been recognised previously.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate.

Statements of cash flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows. Cash and cash equivalents comprises cash on hand, cash at banks that are readily convertible to cash with insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents are presented after excluding pledged fixed deposits held with licensed banks.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, the directors are of the opinion which there are no instances of application of judgements that are expected to have a significant effect on the amounts recognised in the financial statements.

Notes to the
Financial Statements
(cont'd)

(b) Key sources of estimation uncertainty

Directors believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period, except for:

Amortisation of intangible assets

The costs of intangible assets are amortised on a straight-line basis over the asset's estimated economic useful lives. The estimated useful lives of other intangible assets are reviewed periodically, taking into consideration factors such as changes in technology. The amount and timing of recorded expenses for any period would be affected by changes in the estimates. The carrying amount of the Group's and of the Company's intangible assets at the reporting date are disclosed in Note 14.

Impairment of intangible assets

The Group and the Company assess whether there is any indication that intangible assets are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the cash flow projections derived from that asset discounted at an appropriate discount rate. Changes to any of these assumptions used in the cash flow projections would affect the amount of impairment. The key assumptions used to determine the recoverable amounts is disclosed in Note 14.

Impairment of receivables

The Group and the Company review the recoverability of its receivables, including trade and other receivables, amounts due from subsidiary companies and amount due from a related party at each reporting date to assess whether an impairment loss should be recognised. The assessment for impairment for receivables involves significant management judgement, taking into consideration the age of the trade debts, historical payment pattern and other available information concerning the recoverability of the receivables.

The carrying amounts at the reporting date for trade receivables, other receivables, amount due from subsidiary companies and amount due from a related party are disclosed in Notes 18, 19, 20 and 21 respectively.



Notes to the
Financial Statements
(cont'd)

5. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contract with customers:				
Sales of hardware and software	11,109,219	16,389,796	89,380	195,057
Rendering of services	3,840,062	6,538,696	3,649,357	3,000,000
	<u>14,949,281</u>	<u>22,928,492</u>	<u>3,738,737</u>	<u>3,195,057</u>
Timing of revenue recognition				
At a point in time	12,657,414	22,928,492	89,380	3,195,057
Over time	2,291,867	-	3,649,357	-
	<u>14,949,281</u>	<u>22,928,492</u>	<u>3,738,737</u>	<u>3,195,057</u>

6. COST OF SALES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Costs of goods sold	7,438,936	13,210,408	89,380	256,468
Cost of services rendered	2,359,677	4,745,656	-	2,500,000
	<u>9,798,613</u>	<u>17,956,064</u>	<u>89,380</u>	<u>2,756,468</u>

7. OTHER OPERATING INCOME

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest income	270,124	456,004	171,998	323,008
Gain on foreign exchange:				
Realised	53,890	-	4,860	-
Unrealised	488,156	266,315	342,917	234,409
Other income	36,816	-	9,300	-
	<u>848,986</u>	<u>722,319</u>	<u>529,075</u>	<u>557,417</u>

Notes to the
 Financial Statements
(cont'd)

8. FINANCE COSTS

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Interest expenses on:				
Lease liabilities	<u>16,565</u>	<u>31,292</u>	<u>9,081</u>	<u>22,673</u>

9. LOSS BEFORE TAX

Loss before tax is derived at after charging/(crediting):

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Auditors' remuneration:				
Statutory audit	193,956	197,028	130,000	130,000
Non-audit services	5,000	5,000	5,000	5,000
Amortisation of intangible assets	827,428	1,247,573	883,138	1,243,170
Amortisation of right-of-use assets	483,073	501,311	232,452	232,453
Depreciation of plant and equipment	492,280	509,843	88,781	148,536
ESOS expenses:				
Employees	258,042	1,779,515	258,042	1,779,515
Directors	80,700	110,933	80,700	110,933
Impairment losses on trade receivables	3,000,756	35,956	3,000,700	34,786
Inventories written down	-	177,729	-	-
Loss on foreign exchange:				
Realised	117,525	306,747	72,717	44,635
Unrealised	521,200	36,208	546,482	-
Reversal of inventories written down	(99,998)	-	-	-
Rental expenses relating to short-term lease	<u>5,910</u>	<u>27,727</u>	<u>5,910</u>	<u>27,727</u>



Notes to the
Financial Statements
(cont'd)

10. STAFF COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Directors' remuneration:</u>				
Executive director:				
Salaries and other emoluments	360,182	360,210	-	-
Non-executive directors:				
Fees	144,000	144,000	144,000	144,000
ESOS expense	80,700	110,933	80,700	110,933
	<u>224,700</u>	<u>254,933</u>	<u>224,700</u>	<u>254,933</u>
	<u>584,882</u>	<u>615,143</u>	<u>224,700</u>	<u>254,933</u>
<u>Other employees:</u>				
Salaries, bonuses, incentives, overtime, commission, allowances and others	6,590,577	6,766,593	1,356,881	1,187,733
Defined contribution plan	350,573	350,416	127,373	106,808
Social security contribution	14,597	11,019	14,597	11,019
ESOS expense	258,042	1,779,515	258,042	1,779,515
	<u>7,213,789</u>	<u>8,907,543</u>	<u>1,756,893</u>	<u>3,085,075</u>
	<u>7,798,671</u>	<u>9,522,686</u>	<u>1,981,593</u>	<u>3,340,008</u>

Included in staff costs under other employees is the aggregate amount of remuneration received and receivable by the key management personnel of the Group and of the Company as shown below:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Key management personnel ^</u>				
Salaries, bonuses, incentives, overtime, commission, allowances and others	1,090,115	1,111,226	234,720	228,150
Defined contribution plan	112,949	119,202	28,168	27,381
Social security contribution	1,315	1,159	1,315	1,159
ESOS expense	64,323	68,655	19,550	10,350
	<u>1,268,702</u>	<u>1,300,242</u>	<u>283,753</u>	<u>267,040</u>

^ Key management personnel include director of a subsidiary company.

Notes to the
Financial Statements
(cont'd)

11. INCOME TAX EXPENSE/(CREDIT)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Estimated tax payable				
Current financial year	31,387	-	-	-
Overprovision in prior financial year	-	(3,803)	-	-
	<u>31,387</u>	<u>(3,803)</u>	<u>-</u>	<u>-</u>
Deferred tax (Note 25)				
Relating to origination and reversal of temporary differences	<u>25,282</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>56,669</u>	<u>(3,803)</u>	<u>-</u>	<u>-</u>

A reconciliation of income tax expense/(credit) applicable to loss before tax at the applicable statutory income tax rate to income tax expense/(credit) at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Loss before tax	<u>(6,733,184)</u>	<u>(10,774,882)</u>	<u>(4,975,121)</u>	<u>(6,780,916)</u>
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	(1,615,964)	(2,585,972)	(1,194,029)	(1,627,420)
Effect of different tax rates in other countries	2,058	92,599	-	-
Tax effects of:				
Non-deductible expenses	2,232,697	734,076	590,514	740,894
Non-taxable income	(95,983)	-	(95,983)	-
Expired unutilised tax losses not recognised	(1,259,476)	-	-	-
Deferred tax assets not recognised	787,625	1,668,031	699,498	886,526
Utilisation of deferred tax assets not recognised previously	(87,038)	-	-	-
Overprovision of estimated tax payable in prior years	-	(3,803)	-	-
Tax exemption on foreign income	<u>92,750</u>	<u>91,266</u>	<u>-</u>	<u>-</u>
	<u>56,669</u>	<u>(3,803)</u>	<u>-</u>	<u>-</u>



Notes to the
Financial Statements
(cont'd)

12. LOSS PER ORDINARY SHARE

(a) Basic loss per ordinary share

Basic loss per ordinary share is based on the loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2025	2024
Loss attributable to owners of the Company (RM)	<u>(6,789,853)</u>	<u>(10,771,079)</u>
Weighted average number of ordinary shares (units)	<u>1,398,998,757</u>	<u>1,395,985,157</u>
Basic loss per ordinary share (sen)	<u>(0.49)</u>	<u>(0.77)</u>

(b) Diluted loss per ordinary share

Diluted loss per ordinary share is based on the loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	Group	
	2025	2024
Loss attributable to owners of the Company (RM)	<u>(6,789,853)</u>	<u>(10,771,079)</u>
Weighted average number of ordinary shares for basic earnings per ordinary share (units)	1,398,998,757	1,395,985,157
Effect of dilution from ESOS (units)	<u>40,257,738</u>	<u>59,708,550</u>
Weighted average number of ordinary shares for diluted earnings per ordinary share computation (units)	<u>1,439,256,495</u>	<u>1,455,693,707</u>
Diluted loss per ordinary share (sen)	<u>(0.47)</u>	<u>(0.74)</u>

Notes to the
Financial Statements
(cont'd)

13. PLANT AND EQUIPMENT

Group 2025	Computers RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Tool equipment RM	Machinery RM	Leasehold improvement RM	Total RM
Cost								
As at 1 June 2024	5,174,689	1,038,430	750,459	484,072	1,481,965	1,480,809	194,921	10,605,345
Additions	15,387	-	6,256	-	-	-	-	21,643
Exchange differences	(48,549)	(4,056)	(12,361)	-	-	(29,121)	(3,833)	(97,920)
As at 31 May 2025	5,141,527	1,034,374	744,354	484,072	1,481,965	1,451,688	191,088	10,529,068
Accumulated depreciation								
As at 1 June 2024	3,653,938	966,022	724,507	477,001	1,467,911	1,480,809	194,921	8,965,109
Charge for the financial year	429,082	40,238	8,815	2,736	11,409	-	-	492,280
Exchange differences	(9,271)	(1,388)	(12,043)	-	-	(29,121)	(3,833)	(55,656)
As at 31 May 2025	4,073,749	1,004,872	721,279	479,737	1,479,320	1,451,688	191,088	9,401,733
Carrying amount								
As at 31 May 2025	1,067,778	29,502	23,075	4,335	2,645	-	-	1,127,335



Notes to the
Financial Statements
(cont'd)

	Computers RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Tool equipment RM	Machinery RM	Leasehold improvement RM	Total RM
Group								
2024								
Cost								
As at 1 June 2023	3,891,393	1,046,252	766,225	484,072	1,481,965	1,538,857	202,315	9,411,079
Additions	1,342,988	-	7,795	-	-	-	-	1,350,783
Written off	(15,018)	-	-	-	-	(1,811)	-	(16,829)
Exchange differences	(44,674)	(7,822)	(23,561)	-	-	(56,237)	(7,394)	(139,688)
As at 31 May 2024	5,174,689	1,038,430	750,459	484,072	1,481,965	1,480,809	194,921	10,605,345
Accumulated depreciation								
As at 1 June 2023	3,338,971	970,015	619,545	474,265	1,456,501	1,538,857	202,315	8,600,469
Charge for the financial year	367,909	1,293	126,495	2,736	11,410	-	-	509,843
Written off	(15,018)	-	-	-	-	(1,811)	-	(16,829)
Exchange differences	(37,924)	(5,286)	(21,533)	-	-	(56,237)	(7,394)	(128,374)
As at 31 May 2024	3,653,938	966,022	724,507	477,001	1,467,911	1,480,809	194,921	8,965,109
Carrying amount								
As at 31 May 2024	1,520,751	72,408	25,952	7,071	14,054	-	-	1,640,236

Notes to the
Financial Statements
(cont'd)

	Computers RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Tool equipment RM	Total RM
Company						
2025						
Cost						
As at 1 June 2024	2,702,419	27,124	121,916	484,072	1,481,965	4,817,496
Additions	15,387	-	-	-	-	15,387
As at 31 May 2025	2,717,806	27,124	121,916	484,072	1,481,965	4,832,883
Accumulated depreciation						
As at 1 June 2024	2,558,130	21,580	101,841	477,001	1,467,910	4,626,462
Charge for the financial year	70,348	1,293	2,994	2,736	11,410	88,781
As at 31 May 2025	2,628,478	22,873	104,835	479,737	1,479,320	4,715,243
Carrying amount						
As at 31 May 2025	89,328	4,251	17,081	4,335	2,645	117,640
2024						
Cost						
As at 1 June 2023	2,665,458	27,124	121,516	484,072	1,481,965	4,780,135
Additions	36,961	-	400	-	-	37,361
As at 31 May 2024	2,702,419	27,124	121,916	484,072	1,481,965	4,817,496
Accumulated depreciation						
As at 1 June 2023	2,428,019	20,287	98,854	474,265	1,456,501	4,477,926
Charge for the financial year	130,111	1,293	2,987	2,736	11,409	148,536
As at 31 May 2024	2,558,130	21,580	101,841	477,001	1,467,910	4,626,462
Carrying amount						
As at 31 May 2024	144,289	5,544	20,075	7,071	14,055	191,034



Notes to the
Financial Statements
(cont'd)

Purchase of plant and equipment

The aggregate additional costs for plant and equipment of the Group and of the Company acquired during the financial year were through the following:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash payments	<u>21,643</u>	<u>1,350,783</u>	<u>15,387</u>	<u>37,361</u>

14. INTANGIBLE ASSETS

	Development cost RM	Intellectual property and software license rights RM	Patents RM	Total RM
Group 2025 Cost				
As at 1 June 2024	8,553,049	57,052,981	86,565	65,692,595
Additions	-	4,642,346	87,571	4,729,917
Exchange differences	<u>(1,690)</u>	<u>(44,213)</u>	<u>(1,702)</u>	<u>(47,605)</u>
As at 31 May 2025	<u>8,551,359</u>	<u>61,651,114</u>	<u>172,434</u>	<u>70,374,907</u>
Accumulated amortisation				
As at 1 June 2024	8,547,529	27,194,444	1,538	35,743,511
Charge for the financial year	2,630	817,439	7,359	827,428
Exchange differences	<u>(1,490)</u>	<u>(47,601)</u>	<u>226</u>	<u>(48,865)</u>
As at 31 May 2025	<u>8,548,669</u>	<u>27,964,282</u>	<u>9,123</u>	<u>36,522,074</u>
Accumulated impairment				
As at 1 June 2024/ 31 May 2025	<u>-</u>	<u>21,961,423</u>	<u>-</u>	<u>21,961,423</u>
Carrying amount				
As at 31 May 2025	<u>2,690</u>	<u>11,725,409</u>	<u>163,311</u>	<u>11,891,410</u>

Notes to the
Financial Statements
(cont'd)

	Development cost RM	Intellectual property and software license rights RM	Patents RM	Total RM
Group				
2024				
Cost				
As at 1 June 2023	8,556,308	65,285,384	-	73,841,692
Additions	-	-	86,565	86,565
Write off	-	(7,842,907)	-	(7,842,907)
Exchange differences	(3,259)	(389,496)	-	(392,755)
As at 31 May 2024	8,553,049	57,052,981	86,565	65,692,595
Accumulated amortisation				
As at 1 June 2023	8,545,095	29,594,724	-	38,139,819
Charge for the financial year	2,833	1,243,170	1,570	1,247,573
Write off	-	(3,421,656)	-	(3,421,656)
Exchange differences	(399)	(221,794)	(32)	(222,225)
As at 31 May 2024	8,547,529	27,194,444	1,538	35,743,511
Accumulated impairment				
As at 1 June 2023	-	26,552,946	-	26,552,946
Write off	-	(4,423,726)	-	(4,423,726)
Exchange differences	-	(167,797)	-	(167,797)
As at 31 May 2024	-	21,961,423	-	21,961,423
Carrying amount				
As at 31 May 2024	5,520	7,897,114	85,027	7,987,661



Notes to the
Financial Statements
(cont'd)

	Development cost RM	Intellectual property and software license rights RM	Total RM
Company			
2025			
Cost			
As at 1 June 2024	8,467,128	54,627,347	63,094,475
Additions	-	6,527,285	6,527,285
As at 31 May 2025	8,467,128	61,154,632	69,621,760
Accumulated amortisation			
As at 1 June 2024	8,467,127	24,768,810	33,235,937
Charge for the financial year	-	883,138	883,138
As at 31 May 2025	8,467,127	25,651,948	34,119,075
Accumulated impairment			
As at 1 June 2024/31 May 2025	-	21,961,423	21,961,423
Carrying amount			
As at 31 May 2025	1	13,541,261	13,541,262
2024			
Cost			
As at 1 June 2023/31 May 2024	8,467,128	54,627,347	63,094,475
Accumulated amortisation			
As at 1 June 2023	8,467,127	23,525,640	31,992,767
Charge for the financial year	-	1,243,170	1,243,170
As at 31 May 2024	8,467,127	24,768,810	33,235,937
Accumulated impairment			
As at 1 June 2023/31 May 2024	-	21,961,423	21,961,423
Carrying amount			
As at 31 May 2024	1	7,897,114	7,897,115

Notes to the
Financial Statements
(cont'd)

The recoverable amount of the cash generating unit (“CGU”) was determined based on a value-in-use (“VIU”) calculation using cash flow projections approved by management covering a period of 5 years (2024: 5 years). No terminal growth rate was applied, as management’s assessment is limited to the period of contracted revenues.

Key assumptions used in current year value-in-use calculation are as follows:

(a) Revenue forecasts

The revenue forecast is supported by actual secured contracts and purchase orders at the reporting date.

(b) Gross profit margin

Gross profit margin of 30% (2024: 27% - 34%) has been applied to forecast revenues, supported by historical performance.

(c) Pre-tax discount rate

Pre-tax discount rate of 14% (2024: 16%) has been applied, representing the current market assessment of the time value of money and risks specific to the CGU.

Based on the annual impairment assessment, no impairment loss was required for the carrying amount of intangible assets assessed as at 31 May 2025 as its recoverable amount was in excess of its carrying amount. Management believes that there is no reasonably possible change in the key assumptions on which management has based its determination of the CGU’s recoverable amount, which would cause the CGU’s carrying amount to materially exceed its recoverable amount.



Notes to the
Financial Statements
(cont'd)

15. RIGHT-OF-USE ASSETS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Buildings				
Cost				
As at 1 June	1,224,175	1,958,900	697,357	697,357
Additions	493,906	-	-	-
Derecognition arising from lease expiration	(516,550)	(714,743)	-	-
Exchange differences	6,892	(19,982)	-	-
As at 31 May	<u>1,208,423</u>	<u>1,224,175</u>	<u>697,357</u>	<u>697,357</u>
Accumulated amortisation				
As at 1 June	818,696	1,041,740	445,534	213,081
Charge for the financial year	483,073	501,311	232,452	232,453
Derecognition arising from lease expiration	(516,550)	(714,743)	-	-
Exchange differences	1,434	(9,612)	-	-
As at 31 May	<u>786,653</u>	<u>818,696</u>	<u>677,986</u>	<u>445,534</u>
Carrying amount				
As at 31 May	<u>421,770</u>	<u>405,479</u>	<u>19,371</u>	<u>251,823</u>

The leased buildings represent operating lease agreements entered into by the Group and the Company for the use of offices. The lease term for right-of-use assets is 2 to 3 years (2024: 2 to 3 years). The Group and the Company have options to extend the lease term for 1 year (2024: 1 year) at the end of the lease term.

Notes to the
Financial Statements
(cont'd)

16. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2025 RM	2024 RM
In Malaysia		
Unquoted shares, at cost	2	2
Outside Malaysia		
Unquoted shares, at cost	28,558,698	28,558,698
Less: Accumulated impairment loss	(28,226,813)	(28,226,813)
	331,885	331,885
	331,887	331,887

Movements in the impairment loss on investment in subsidiary companies during the financial year are as follows:

	Company	
	2025 RM	2024 RM
At beginning/end of the financial year	28,226,813	28,226,813

Details of the subsidiary companies are as follows:

Name of subsidiary companies	Principal place of business	Effective interest		Principal activities
		2025 %	2024 %	
Key Asic Semiconductor Sdn. Bhd.	Malaysia	100	100	Manufacturing services to fabless design company, provide design for manufacturing ("DFM") and design for test ("DFT") consultation and the sales of chips.
Key Asic Incorporation *	Republic of China (Taiwan)	100	100	Providing designing services in relation to the electronic components of integrated circuit, semiconductor and related parts.
Key Asic Semiconductor Ltd.	British Virgin Islands	100	100	Dormant.

* Audited by another auditor other than Morison LC PLT.



Notes to the
Financial Statements
(cont'd)

17. INVENTORIES

	Group	
	2025 RM	2024 RM
At cost:		
Work-in-progress	421,238	422,340
Finished goods	433,545	357,248
	854,783	779,588
At net realisable value:		
Raw materials	47,756	49,500
Work-in-progress	370,350	287,927
Finished goods	6,607	8,624
	424,713	346,051
	1,279,496	1,125,639
Recognised in profit or loss:		
Inventories recognised as cost of sales	4,070,578	15,409,795
Inventories written down *	-	177,729
Reversal of inventories written down *	(99,998)	-

* Included in cost of sales in the statements of profit or loss.

18. TRADE RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables:				
Third parties	11,690,972	22,162,055	9,933,701	21,200,497
Subsidiary companies	-	-	8,544,604	5,830,478
	11,690,972	22,162,055	18,478,305	27,030,975
Less: Accumulated impairment losses	(9,941,717)	(18,327,477)	(10,375,242)	(18,760,921)
	1,749,255	3,834,578	8,103,063	8,270,054

Notes to the
Financial Statements
(cont'd)

The Group's and the Company's normal credit terms for the trade receivables range from 30 to 60 days (2024: 30 to 60 days). The trade receivables due immediately do not carry credit term. Other credit terms are assessed and approved on a case by case basis.

The maximum exposure of credit risk at the reporting date is the carrying value of receivables mentioned above. Trade receivables are not secured by any collateral or credit enhancements.

Movements in accumulated impairment losses are as follows:

	Lifetime ECL RM	Credit impaired RM	Total RM
Group			
2025			
At 1 June 2024	7,047	18,320,430	18,327,477
Allowance for impairment losses	56	3,000,700	3,000,756
Written off	-	(11,386,379)	(11,386,379)
Exchange differences	(137)	-	(137)
At 31 May 2025	<u>6,966</u>	<u>9,934,751</u>	<u>9,941,717</u>
2024			
At 1 June 2023	19,945	18,285,644	18,305,589
Allowance for impairment losses	1,170	34,786	35,956
Reversal of impairment losses	(13,820)	-	(13,820)
Exchange differences	(248)	-	(248)
At 31 May 2024	<u>7,047</u>	<u>18,320,430</u>	<u>18,327,477</u>
Company			
2025			
At 1 June 2024	-	18,760,921	18,760,921
Allowance for impairment losses	-	3,000,700	3,000,700
Written off	-	(11,386,379)	(11,386,379)
At 31 May 2025	<u>-</u>	<u>10,375,242</u>	<u>10,375,242</u>
2024			
At 1 June 2023	13,820	18,726,135	18,739,955
Allowance for impairment losses	-	34,786	34,786
Reversal of impairment losses	(13,820)	-	(13,820)
At 31 May 2024	<u>-</u>	<u>18,760,921</u>	<u>18,760,921</u>

The allowance account in respect of the trade receivables are used to record impairment losses. The creation and release of allowance for impaired receivables have been included in the profit or loss. Unless the Group and the Company are satisfied that recovery of the amount is possible, then the amount considered irrecoverable is written off against the receivable directly.



Notes to the
Financial Statements
(cont'd)

The aged analysis of trade receivables at the end of the reporting period:

	Gross amount RM	Loss allowances RM	Net amount RM
Group			
2025			
Not past due	926,754	(6,966)	919,788
Past due:			
More than 120 days	829,467	-	829,467
	1,756,221	(6,966)	1,749,255
Individually assessed	9,934,751	(9,934,751)	-
	11,690,972	(9,941,717)	1,749,255
2024			
Not past due	704,760	(7,047)	697,713
Past due:			
1 to 30 days	2,840	-	2,840
31 to 60 days	20,500	-	20,500
More than 120 days	3,113,525	-	3,113,525
	3,136,865	-	3,136,865
	3,841,625	(7,047)	3,834,578
Individually assessed	18,320,430	(18,320,430)	-
	22,162,055	(18,327,477)	3,834,578
Company			
2025			
Not past due	3,649,357	-	3,649,357
Past due:			
More than 120 days	4,895,247	(441,541)	4,453,706
	8,544,604	(441,541)	8,103,063
Individually assessed	9,933,701	(9,933,701)	-
	18,478,305	(10,375,242)	8,103,063
2024			
Past due:			
31 to 60 days	20,500	-	20,500
More than 120 days	8,691,095	(441,541)	8,249,554
	8,711,595	(441,541)	8,270,054
Individually assessed	18,319,380	(18,319,380)	-
	27,030,975	(18,760,921)	8,270,054

Notes to the
Financial Statements
(cont'd)

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 31 May 2025, the Group's and the Company's trade receivables of RM829,467 and RM4,453,706 (2024: RM3,136,865 and RM8,270,054) were past due but not impaired. These relate to a number independent customers from whom there is no significant change in their creditworthiness, i.e. no history of default.

The trade receivables of the Group and of the Company that are individually assessed to be impaired amounting to RM9,934,751 and RM9,933,701 (2024: RM18,320,430 and RM18,319,380) respectively, relate to customers that are in financial difficulties, have defaulted on payments and/or have disputed on the billings. These balances are expected to be recovered through the debt recovery process.

19. OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other receivables	366,641	6,097	25,184	6,097
Deposits	179,941	176,330	110,134	105,860
Prepayments	934,688	1,271,765	525,340	835,128
	<u>1,481,270</u>	<u>1,454,192</u>	<u>660,658</u>	<u>947,085</u>

20. AMOUNT DUE FROM A RELATED PARTY

Included in amount is a balance due from a company in which a director of the Company also holds directorship. The balance arising from non-trade transactions, is unsecured, interest-free and receivable on demand.

21. AMOUNTS DUE FROM/(TO) SUBSIDIARY COMPANIES

The amounts due from/(to) subsidiary companies include a loan amounting to RM3,007,755 (2024: RM3,170,215) granted to a subsidiary company. The loan bears interest at 1.50% (2024: 1.50%) per annum, is unsecured and receivable on demand.

The remaining balances with subsidiary companies are non-trade in nature, unsecured, interest-free and receivable/(repayable) on demand.



Notes to the
Financial Statements
(cont'd)

22. DEPOSIT, CASH AND BANK BALANCES

As at 31 May 2025, the Group has pledged time deposits amounting to RM71,736 (2024: RM75,636) with a financial institution as collateral for a bank guarantee of RM71,087 (2024: RM72,500) issued in favour of customs duty obligations.

23. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2025 Unit	2024 Unit	2025 RM	2024 RM
Issued and fully paid ordinary shares (no par value):				
At beginning of the financial year	1,398,061,250	1,393,511,250	69,629,337	69,403,203
Exercise of ESOS	1,801,000	4,550,000	89,530	226,134
Capital reduction	-	-	(50,000,000)	-
At end of the financial year	<u>1,399,862,250</u>	<u>1,398,061,250</u>	<u>19,718,867</u>	<u>69,629,337</u>

During the financial year, the Company increased its issued and paid-up share capital from 1,398,061,250 units to 1,399,862,250 units by way of issuance of new ordinary shares pursuant to the following:

- (i) 1,800,000 options exercised under Employee Share Option Scheme ("ESOS") at an exercise price of RM0.0267 per option; and
- (ii) 1,000 options exercised under Employee Share Option Scheme ("ESOS") at an exercise price of RM0.0431 per option.

The abovementioned shares were issued prior to the share capital reduction exercise on 5 March 2025.

On 5 March 2025, the Company completed a share capital reduction exercise pursuant to Section 117 of the Companies Act, 2016. The issued share capital of the Company was reduced from RM69,718,867 to RM19,718,867 by way of offsetting against accumulated losses of RM50,000,000. The capital reduction does not involve any reduction in the number of ordinary shares in issue and has no effect on the Company's net assets, cash flows or business operations.

Notes to the
Financial Statements
(cont'd)

In previous financial year, the Company increased its issued and paid up share capital from 1,393,511,250 units to 1,398,061,250 units by way of issuance of 4,550,000 new ordinary shares pursuant to the exercise of options under Employee Share Option Scheme ("ESOS") at an exercise price of RM0.0267 each.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitle to one vote per ordinary share at meeting of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

24. RESERVES

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
ESOS reserve	(a)	3,973,202	3,748,688	3,973,202	3,748,688
Foreign currency translation reserve	(b)	(413,549)	(328,640)	-	-
		<u>3,559,653</u>	<u>3,420,048</u>	<u>3,973,202</u>	<u>3,748,688</u>

(a) ESOS reserve

The ESOS reserve representing the cumulative value of employee services received in exchange for the grant of share options. The reserve is recorded over the vesting period commencing from the grant date and is reduced by the expiry or exercise of the share options. When the option is exercised, the amount from the reserves is transferred to share capital. When the share options expire, the amount from the reserves is transferred to retained earnings.

At an Extraordinary General Meeting held on 7 July 2022, the Company's shareholders approved the establishment on an ESOS. The ESOS was implemented on 7 July 2022 for a period of five years and will expire on 6 July 2027, unless extended further.

The salient features are as follows:

- (i) The total number of new share which may be made available under the scheme shall not exceed 15% of the total issued and paid-up share capital of the Company at any point of time during the existence of the ESOS;
- (ii) Eligible persons are confirmed employees including executive directors of the Group and have been in employment for the Group for a period of at least 12 months of continuous service on or prior to the date of allocation;

Notes to the
Financial Statements
(cont'd)

- (iii) Not more than 70% of the shares available under the scheme shall be allocated, in aggregate, to directors and senior management of the Group;
- (iv) Not more than 10% of the shares available under the scheme shall be allocated to any individual eligible employee who, either singly or collectively through person connected with the eligible employee, holds 20% or more in the issued and paid-up share capital of the Company;
- (v) The option price may be at discounted of not more than 10% from 5 days weighted market price of the underlying shares preceding the date of offer or at par value of the ordinary shares of the Company, whichever is higher;
- (vi) The ESOS shall be in force for a period of 5 years and extendable for another 5 years from the effective date; and
- (vii) The option granted may be exercised in full immediately or in parts within the duration of the scheme.

Notes to the
Financial Statements
(cont'd)

Movements of ESOS during the financial year

The following table illustrates the share options granted and exercised during the financial year:

Grant date	Exercise price RM	At 1 June	Number of options over ordinary shares			At 31 May
			Granted	Exercised	Lapsed	
2025						
9 May 2024	0.0431	75,400,000	-	(1,000)	(3,800,000)	71,599,000
7 October 2022	0.0267	98,250,000	-	(1,800,000)	-	96,450,000
2024						
9 May 2024	0.0431	-	76,800,000	-	(1,400,000)	75,400,000
7 October 2022	0.0267	105,750,000	-	(4,550,000)	(2,950,000)	98,250,000

Out of 76,800,000 options granted on 9 May 2024, 15,250,000 options granted to the Non-Executive Directors and eligible employees are subject to vesting period on a staggered basis of over 12 to 36 months' period respectively from the date of offer.

Out of 137,150,000 options granted on 7 October 2022, 30,400,000 options granted to the Non-Executive Directors and eligible employees are subject to vesting period on a staggered basis of over 12 to 48 months' period respectively from the date of offer.

The fair value of share options granted during the financial year was estimated by an independent professional valuer using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted. The risk-free rate is based on Malaysian Government Securities ("MGSS").



Notes to the
Financial Statements
(cont'd)

The fair value of share options measured at grant date and the assumption are as follows:

Grant date	09.05.2024	07.10.2022
Fair value of share options and assumptions		
Weighted average fair value of share option at grant date (RM)	0.0264	0.0230
Weighted average share price (RM)	0.0478	0.0297
Option life (years)	3.0	4.0
Risk-free rate (%)	3.5	2.5
Expected volatility (%)	75.77	77.50

The expected life of the share options is based on historical data, has been adjusted according to management's best estimate for the effects of non-transferability, exercise restrictions (including probability of meeting the market conditions attached to the option), and behavioral considerations. The expected volatility is based on the historical share price volatility over the past 3 years, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which is not reflective of its long-term average level. While the expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

Total expenses recognised in profit or loss for share options granted to Directors and employees is in Note 10.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

25. DEFERRED TAX LIABILITIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
As at 1 June	-	-	-	-
Recognised in profit or loss (Note 11)	25,282	-	-	-
Exchange differences	878	-	-	-
As at 31 May	26,160	-	-	-

Notes to the
Financial Statements
(cont'd)

The net deferred tax liabilities as shown above after appropriate offsetting are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deferred tax assets	-	-	-	-
Deferred tax liabilities	26,160	-	-	-
Deferred tax liabilities	26,160	-	-	-

The details of deferred tax assets and deferred tax liabilities in respect of the tax effect are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deferred tax assets (before offsetting)				
Lease liabilities	5,180	65,265	5,180	65,265
Inventories written down to net realisable value	290,041	321,133	-	-
Unabsorbed capital allowances	476,665	467,266	476,665	467,266
Unused tax losses	7,069,321	7,645,252	4,800,659	4,149,297
Offsetting	7,841,207 (379,599)	8,498,916 (478,421)	5,282,504 (379,599)	4,681,828 (478,421)
Deferred tax assets not recognised (after offsetting)	7,461,608	8,020,495	4,902,905	4,203,407



Notes to the
Financial Statements
(cont'd)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	374,950	417,983	374,950	417,983
Right-of-use assets	4,649	60,438	4,649	60,438
Unrealised foreign exchange differences	26,160	-	-	-
	405,759	478,421	379,599	478,421
Offsetting	(379,599)	(478,421)	(379,599)	(478,421)
Deferred tax liabilities (after offsetting)	26,160	-	-	-

At the end of the reporting period, the Group and the Company have unabsorbed capital allowances and unused tax losses that are available for offsetting against future taxable profits, subject to the agreement with the tax authorities.

The details of unabsorbed capital allowances and unused tax losses are as follow:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Unabsorbed capital allowances (a)	1,986,104	1,946,941	1,986,104	1,946,941
Unused tax losses (b)	29,455,506	31,855,218	20,002,749	17,288,738

The comparative information has been restated to reflect the revised unabsorbed capital allowances and unused tax losses to conform with the actual income tax computation submitted to the tax authorities.

- (a) The unabsorbed capital allowances of the Group and of the Company do not expire under the current tax legislation.

Notes to the
Financial Statements
(cont'd)

- (b) The unused tax losses are available for offset against future taxable profits of the Group and of the Company up to the following years of assessment.

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Year of assessment:				
2025	-	5,247,818	-	-
2026	1,255,936	1,255,936	-	-
2027	245,978	245,978	-	-
2028	1,783,636	2,146,297	-	-
2029	856,156	856,156	-	-
2030	4,951,620	4,951,620	4,511,283	4,511,283
2031	6,257,782	6,257,782	5,927,359	5,927,359
2032	3,165,242	3,165,242	2,445,846	2,445,846
2033	2,737,295	2,737,295	578,100	578,100
2034	5,487,850	4,991,094	3,826,150	3,826,150
2035	2,714,011	-	2,714,011	-
	<u>29,455,506</u>	<u>31,855,218</u>	<u>20,002,749</u>	<u>17,288,738</u>

26. LEASE LIABILITIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
As at 1 June	428,693	935,122	271,937	499,694
Additions	493,906	-	-	-
Interest expense	16,565	31,292	9,081	22,673
Payment of interest expenses	(16,565)	(31,292)	(9,081)	(22,673)
Payment of principal	(501,324)	(495,953)	(250,352)	(227,757)
Exchange differences	5,506	(10,476)	-	-
As at 31 May	<u>426,781</u>	<u>428,693</u>	<u>21,585</u>	<u>271,937</u>
Presented as:				
Non-current	142,032	21,585	-	21,585
Current	<u>284,749</u>	<u>407,108</u>	<u>21,585</u>	<u>250,352</u>
	<u>426,781</u>	<u>428,693</u>	<u>21,585</u>	<u>271,937</u>



Notes to the
Financial Statements
(cont'd)

The maturity analysis of lease liabilities are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Minimum lease payments:				
Not later than one year	286,820	417,405	21,688	259,434
Later than one year but not later than two years	150,847	21,688	-	21,688
Total minimum lease payments	437,667	439,093	21,688	281,122
Less: Future finance charges	(10,886)	(10,400)	(103)	(9,185)
Present value of lease liabilities	426,781	428,693	21,585	271,937
Present value of minimum lease payments:				
Not later than one year	284,749	407,108	21,585	250,352
Later than one year but not later than two years	142,032	21,585	-	21,585
Present value of lease liabilities	426,781	428,693	21,585	271,937

At the reporting date, the incremental borrowing rate of the Group and of the Company applied to lease liabilities ranges from 3.22% to 5.72% and 5.72% (2024: 2.82% to 5.72% and 5.72%) per annum, respectively. The Group and the Company do not face a significant liquidity risk with regard to their lease liabilities.

27. TRADE PAYABLES

The normal trade credit terms granted to the Group and the Company ranges from 30 to 60 days (2024: 30 to 60 days) depending on the terms of the contracts.

28. OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other payables	889,212	680,157	323,510	201,010
Accruals	1,248,196	2,430,134	148,166	143,099
	2,137,408	3,110,291	471,676	344,109

Notes to the
Financial Statements
(cont'd)

29. **AMOUNT DUE TO DIRECTORS**

The amount due to directors which arose from non-trade transaction, is unsecured, interest free and repayable on demand.

30. **RELATED PARTY DISCLOSURE**

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel comprise the directors and management personnel of the Group and of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the related party transactions of the Group and of the Company are as follows:

	Company	
	2025	2024
	RM	RM
Trade transactions with:		
<u>Subsidiary companies</u>		
Sales of goods received/receivable	89,380	195,057
Purchase of goods paid/payable	-	2,254
Service rendered received/receivable	<u>3,649,357</u>	<u>-</u>
Non-trade transactions with:		
<u>Subsidiary companies</u>		
Interest income received/receivable	39,945	34,350
Research and development expenditure paid/payable	<u>4,567,085</u>	<u>-</u>
<u>Related party</u>		
Purchase of software licenses paid/payable	<u>1,960,200</u>	<u>-</u>

(c) Compensation of key management personnel

The payment for key management personnel compensation during the financial year is disclosed in Note 10.



Notes to the
Financial Statements
(cont'd)

31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	As at 1 June RM	Financing cash flows (i) RM	Non-cash changes (ii) RM	As at 31 May RM
Group				
2025				
Amount due to directors	1,090,274	12,726	-	1,103,000
Lease liabilities	<u>428,693</u>	<u>(501,324)</u>	<u>499,412</u>	<u>426,781</u>
2024				
Amount due to directors	1,008,140	82,134	-	1,090,274
Lease liabilities	<u>935,122</u>	<u>(495,953)</u>	<u>(10,476)</u>	<u>428,693</u>
Company				
2025				
Amount due to a subsidiary company	84,682	-	(3,061)	81,621
Amount due to directors	1,090,274	12,726	-	1,103,000
Lease liabilities	<u>271,937</u>	<u>(250,352)</u>	<u>-</u>	<u>21,585</u>
2024				
Amount due to a subsidiary company	20,689	63,993	-	84,682
Amount due to directors	1,008,140	82,134	-	1,090,274
Lease liabilities	<u>499,694</u>	<u>(227,757)</u>	<u>-</u>	<u>271,937</u>

(i) The financing cash flows represents the net amount of proceeds from and repayment of lease liabilities and amounts due to directors as well as a subsidiary company in the statements of cash flows.

(ii) Non-cash changes included new lease liabilities and foreign exchange differences.

Notes to the
 Financial Statements
(cont'd)

32. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 - Operating Segments based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group's Chief Executive Officer ("CEO") for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follows:

Non-recurring engineering services	Providing turnkey ASIC design services, providing data processing, data management, disk-based back-up solutions, telecommunications, office automation, network infrastructure and intelligent storage networking support.
Recurring engineering services	Mass production of wafers and chips and providing designing services in relation to the electronic components of integrated circuit, semiconductor and related parts.

Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment profit

Segment performance is used to measure performance as the Group's Chief Executive Officer believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total segment assets are measured based on all assets of a segment as included in the internal reports that are reviewed by the Group's Chief Executive Officer.

Segment liabilities

The total segment liabilities are measured based on all liabilities of a segment, as included in the internal reports that are reviewed by the Group's Chief Executive Officer.

Notes to the
Financial Statements
(cont'd)

Business segments

	Non-recurring engineering services RM	Recurring engineering services RM	Adjustments and eliminations RM	Consolidation RM
2025				
Revenue				
External sales	3,840,062	11,109,219	-	14,949,281
Inter-company	8,232,994	89,380	(8,322,374)	-
	<u>10,730,870</u>	<u>12,540,785</u>	<u>(8,322,374)</u>	<u>14,949,281</u>
Results				
Amortisation of intangible assets	(883,138)	(12,870)	68,580	(827,428)
Depreciation of plant and equipment	(88,781)	(403,499)	-	(492,280)
Depreciation of right-of- use assets	(232,452)	(250,621)	-	(483,073)
Impairment loss on trade receivables	(3,000,700)	(56)	-	(3,000,756)
Interest income	171,998	138,072	(39,946)	270,124
Interest expenses	(9,081)	(47,873)	40,389	(16,565)
Reversal of inventories written down	-	99,998	-	99,998
Unrealised gain on foreign exchange	342,917	337,453	(192,214)	488,156
Unrealised loss on foreign exchange	<u>(546,482)</u>	<u>(204,352)</u>	<u>229,634</u>	<u>(521,200)</u>
Segment (loss)/profit before tax	(4,975,121)	47,289	(1,805,352)	(6,733,184)
Income tax expense	<u>-</u>	<u>(56,669)</u>	<u>-</u>	<u>(56,669)</u>
Assets				
Segment assets	<u>28,852,324</u>	<u>12,293,353</u>	<u>(14,939,265)</u>	<u>26,206,410</u>
Liabilities				
Segment liabilities	<u>5,316,208</u>	<u>16,325,001</u>	<u>(13,222,255)</u>	<u>8,418,954</u>

Notes to the
Financial Statements
(cont'd)

	Non-recurring engineering services RM	Recurring engineering services RM	Adjustments and eliminations RM	Consolidation RM
2024				
Revenue				
External sales	5,189,775	17,738,717	-	22,928,492
Inter-company	3,223,550	197,311	(3,420,861)	-
	<u>8,413,325</u>	<u>17,936,028</u>	<u>(3,420,861)</u>	<u>22,928,492</u>
Results				
Amortisation of intangible assets	(1,243,170)	(4,403)	-	(1,247,573)
Depreciation of plant and equipment	(148,536)	(361,307)	-	(509,843)
Depreciation of right-of- use assets	(232,453)	(268,858)	-	(501,311)
Impairment loss on trade receivables	(34,786)	(1,170)	-	(35,956)
Interest income	323,008	167,346	(34,350)	456,004
Interest expenses	(22,673)	(44,644)	36,025	(31,292)
Inventories written down	-	(177,729)	-	(177,729)
Reversal of impairment loss on trade receivables	13,820	-	-	13,820
Unrealised gain on foreign exchange	234,409	31,906	-	266,315
Unrealised loss on foreign exchange	-	(36,208)	-	(36,208)
Segment (loss)/profit before tax	(6,780,916)	(4,058,644)	64,678	(10,774,882)
Income tax credit	-	3,803	-	3,803
Assets				
Segment assets	<u>33,628,746</u>	<u>10,415,678</u>	<u>(10,169,613)</u>	<u>33,874,811</u>
Liabilities				
Segment liabilities	<u>5,504,354</u>	<u>14,589,437</u>	<u>(10,494,353)</u>	<u>9,599,438</u>



Notes to the
Financial Statements
(cont'd)

Geographical segment

Revenue and non-current assets information based on the geographical location of customers are as follows:

	Revenue		Non-current assets	
	2025 RM	2024 RM	2025 RM	2024 RM
Malaysia	8,003,510	13,528,749	11,851,614	8,339,976
Taiwan	4,982,087	5,123,036	1,588,901	1,693,400
Others	1,963,684	4,276,707	-	-
	<u>14,949,281</u>	<u>22,928,492</u>	<u>13,440,515</u>	<u>10,033,376</u>

Non-current assets consist of plant and equipment, right-of-use assets and intangible assets.

Information about major customers

Revenue from 3 (2024: 2) major customers amounted to RM10,420,694 (2024: RM13,785,648), arising from recurring engineering services segment.

There are external customers with revenue amounting to 10% or more of the Group's revenue as disclosed below:

	Revenue			
	2025 RM	%	2024 RM	%
Customer A	4,008,349	27	2,435,100	11
Customer B	3,572,717	24	11,350,548	50
Customer C	2,839,628	19	-	-
	<u>10,420,694</u>		<u>13,785,648</u>	

Notes to the
Financial Statements
(cont'd)

33. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The following table analyses the financial assets and liabilities in the statement of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		At amortised cost		Company	
	2025 RM	2024 RM	2025 RM	2024 RM	2025 RM	2024 RM
Financial assets						
Trade receivables	1,749,255	3,834,578	8,103,063	8,270,054		
Other receivables (excluding prepayments)	546,582	182,427	135,318	111,957		
Amount due from a related party	123,324	111,074	-	-		
Amount due from subsidiary companies	-	-	4,467,107	4,325,704		
Deposit, cash and bank balances	<u>8,132,550</u>	<u>17,315,168</u>	<u>1,611,336</u>	<u>11,414,044</u>		
Financial liabilities						
Trade payables	4,694,238	4,970,180	3,638,326	3,713,352		
Other payables and accruals	2,137,408	3,110,291	471,676	344,109		
Amount due to a subsidiary company	-	-	81,621	84,682		
Amount due to directors	1,103,000	1,090,274	1,103,000	1,090,274		
Lease liabilities	<u>426,781</u>	<u>428,693</u>	<u>21,585</u>	<u>271,937</u>		

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

Notes to the
Financial Statements
(cont'd)

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its trade receivables and other financial assets.

The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Other financial assets are held with licensed financial institutions. The Group and the Company minimise credit risk by dealing exclusively with high credit rating financial institutions.

The Group provides advances to its related party and monitors the results of the related party regularly.

The Company provides advances to its subsidiary companies and monitors the results of the subsidiary companies regularly.

At the end of the reporting period, the maximum exposure to credit risk arising from the financial assets are represented by the carrying amounts in the statements of financial position. No financial assets carry a significant exposure to credit risk.

Concentration profile

Concentration of credit risk arises when a number of customers are engaged in similar business activities or activities within the same geographic region, or when they have similar risk characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Group and the Company monitor various portfolios to identify and assess risk concentration.

The Group's major concentration of credit risk relates to the amount due from 4 (2024: 2) receivables which constituted 96% (2024: 88%) of its trade receivables at the end of the reporting period.

Notes to the
Financial Statements
(cont'd)

Write-off policy

The Group and the Company write off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, with case-by-case assessment performed based on indicators such as insolvency or demise. Financial assets written off may still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss as bad debts recovered.

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company compare the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group and the Company consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information such as financial evaluation of the creditworthiness of the debtors, ageing of receivables, defaults and past due amounts, past experience with the debtors, current conditions and reasonable forecast of future economic conditions. The Group and the Company presume that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 365 days past due, unless the Group and the Company have reasonable and supportable information that demonstrates otherwise.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.



Notes to the
Financial Statements
(cont'd)

Analysis of financial instruments by remaining contractual maturities

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations as follows:

	Weighted average effective rate %	Within 1 year RM	1 to 2 years RM	Total contractual cash flows RM	Carrying amount RM
Group					
2025					
Non-derivative financial liabilities					
Trade payables		4,694,238	-	4,694,238	4,694,238
Other payables and accruals		2,137,408	-	2,137,408	2,137,408
Amount due to directors		1,103,000	-	1,103,000	1,103,000
Lease liabilities	3.22 - 5.72	286,820	150,847	437,667	426,781
		8,221,466	150,847	8,372,313	8,361,427
2024					
Non-derivative financial liabilities					
Trade payables		4,970,180	-	4,970,180	4,970,180
Other payables and accruals		3,110,291	-	3,110,291	3,110,291
Amount due to directors		1,090,274	-	1,090,274	1,090,274
Lease liabilities	2.82 - 5.72	417,405	21,688	439,093	428,693
		9,588,150	21,688	9,609,838	9,599,438

Notes to the
 Financial Statements
(cont'd)

	Weighted average effective rate %	Within 1 year RM	1 to 2 years RM	Total contractual cash flows RM	Carrying amount RM
Company					
2025					
Non-derivative financial liabilities					
Trade payables		3,638,326	-	3,638,326	3,638,326
Other payables and accruals		471,675	-	471,675	471,675
Amount due to a subsidiary company		81,621	-	81,621	81,621
Amount due to directors		1,103,000	-	1,103,000	1,103,000
Lease liabilities	5.72	21,688	-	21,688	21,585
		5,316,310	-	5,316,310	5,316,207
2024					
Non-derivative financial liabilities					
Trade payables		3,713,352	-	3,713,352	3,713,352
Other payables and accruals		344,109	-	344,109	344,109
Amount due to a subsidiary company		84,682	-	84,682	84,682
Amount due to directors		1,090,274	-	1,090,274	1,090,274
Lease liabilities	5.72	259,434	21,688	281,122	271,937
		5,491,851	21,688	5,513,539	5,504,354



Notes to the
Financial Statements
(cont'd)

(iii) Market risk

Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and the Group's net investments in a foreign subsidiary.

The Group's principal foreign currency exposure relates mainly to United States Dollar ("USD") and others.

The Group and the Company have not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group and the Company will apply natural hedging by selling and purchasing in the same currency. The Group monitors its foreign exchange risk exposure on an on-going basis and endeavours to keep the net exposure at an acceptable level.

The carrying amounts of Group's financial instruments that denominated in currencies other than the functional currency are as follows:

	Denominated in		
	USD RM	Others RM	Total RM
Group			
2025			
Trade and other receivables	177,624	-	177,624
Deposit, cash and bank balances	1,872,515	720,012	2,592,527
Trade and other payables	(4,595,821)	-	(4,595,821)
	<u>(2,545,682)</u>	<u>720,012</u>	<u>(1,825,670)</u>
2024			
Trade and other receivables	3,223,383	-	3,223,383
Deposit, cash and bank balances	836,441	944,998	1,781,439
Trade and other payables	(3,972,476)	-	(3,972,476)
	<u>87,348</u>	<u>944,998</u>	<u>1,032,346</u>

Notes to the
Financial Statements
(cont'd)

	Denominated in		
	USD RM	Others RM	Total RM
Company			
2025			
Deposit, cash and bank balances	147,420	6,291	153,711
Trade and other payables	(3,595,417)	-	(3,595,417)
	<u>(3,447,997)</u>	<u>6,291</u>	<u>(3,441,706)</u>
2024			
Trade and other receivables	2,881,117	-	2,881,117
Deposit, cash and bank balances	366,470	6,997	373,467
Trade and other payables	(3,713,353)	-	(3,713,353)
	<u>(465,766)</u>	<u>6,997</u>	<u>(458,769)</u>

Foreign currency risk's sensitivity analysis

			Effect on loss before tax	
			2025	2024
	Change in currency rate		RM	RM
Group				
USD	Strengthened 5%	(2024: 5%)	127,284	(4,367)
	Weakened 5%	(2024: 5%)	(127,284)	4,367
Others	Strengthened 5%	(2024: 5%)	(36,001)	(47,250)
	Weakened 5%	(2024: 5%)	<u>36,001</u>	<u>47,250</u>
Company				
USD	Strengthened 5%	(2024: 5%)	172,400	23,288
	Weakened 5%	(2024: 5%)	(172,400)	(23,388)
Others	Strengthened 5%	(2024: 5%)	(315)	(350)
	Weakened 5%	(2024: 5%)	<u>315</u>	<u>350</u>

Notes to the
Financial Statements
(cont'd)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of change in market risk.

The Group's and the Company's fixed rate deposits placed with licensed banks are exposed to a risk of change in their fair value due to changes in interest rates. The Group and the Company are not exposed to any interest rate risk as the Group and the Company have no variable rate financial instruments.

The Group and the Company manage the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long terms deposits.

The Group and the Company do not account for any fixed rate lease liabilities at fair value through profit or loss. Therefore, a change in market interest rates at the end of the reporting period would not affect profit or loss.

(c) Fair values of financial instruments

The carrying amounts of short-term receivables and payables and cash and cash equivalents approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The fair value of lease liabilities is determined by discounting the relevant cash flows using current interest rates for similar instruments at the end of the financial reporting period.

34. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to safeguard the ability to continue as going concern in order to provide returns for shareholders and benefits for other stakeholder and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Notes to the
Financial Statements
(cont'd)

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Lease liabilities	26	426,781	428,693	21,585	271,937
Less: Cash and bank balances (excluding time deposits pledged)	22	<u>(8,060,814)</u>	<u>(17,239,532)</u>	<u>(1,611,336)</u>	<u>(11,414,044)</u>
Net cash		<u>(7,634,033)</u>	<u>(16,810,839)</u>	<u>(1,589,751)</u>	<u>(11,142,107)</u>
Total equity		<u>17,787,456</u>	<u>24,275,373</u>	<u>23,536,116</u>	<u>28,124,392</u>
Gearing ratio (times)		<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

N/A Gearing ratio is not applicable as the Group and the Company has sufficient cash and bank balances to settle the outstanding debt.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company are not subjected to any externally imposed capital requirements.

Notes to the
Financial Statements
(cont'd)

35. RECLASSIFICATION OF COMPARATIVE FIGURES

Certain line items have been reclassified in the statements of financial position and statements of cash flows for consistency with the current year presentation.

	As previously stated RM	Reclassification RM	As reclassified RM
Group			
Statements of financial position			
as at 31 May 2024			
Current Assets			
Other receivables	1,529,827	(75,635)	1,454,192
Deposit, cash and bank balances	<u>17,239,533</u>	<u>75,635</u>	<u>17,315,168</u>
Company			
Statements of financial position			
as at 31 May 2024			
Current Assets			
Trade receivables	2,881,117	5,388,937	8,270,054
Amount due from subsidiary companies	<u>9,714,641</u>	<u>(5,388,937)</u>	<u>4,325,704</u>
Statements of cash flows for the			
financial year ended 31 May			
2024			
Cash flows from/(used in)			
operating activities			
Trade receivables	(2,881,483)	804,947	(2,076,536)
Amount due from subsidiary companies	<u>804,947</u>	<u>(804,947)</u>	<u>-</u>

SHAREHOLDING STATISTICS

AS AT 2 SEPTEMBER 2025

Paid up Capital : RM14,194,268.43 comprising of 1,399,862,250 Ordinary Shares
Class of Shares : Ordinary Shares
Voting Rights : 1 vote per ordinary share

ANALYSIS OF SHAREHOLDERS

Size Holding	No. of Holders	%	No. of Shares	%
1 - 99	9	0.116	321	0.000
100 - 1,000	953	12.325	502,019	0.035
1,001 - 10,000	2,178	28.168	14,513,900	1.036
10,001 - 100,000	3,460	44.749	144,135,412	10.296
100,001 - 69,993,111 (*)	1,131	14.627	914,841,098	65.352
69,993,112 and above (**)	1	0.012	325,869,500	23.278
Total	7,732	100.00	1,399,862,250	100.00

Note: * - less than 5% of Issue Shares
** - 5% and above of Issue Shares

THIRTY LARGEST SHAREHOLDERS

No.	Name	Shareholding	%
1	Key ASIC Limited	270,541,666	19.326
2	Key ASIC Limited	45,327,834	3.238
3	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Liew Wai Han	39,763,200	2.840
4	Lim Lae Yong	33,000,000	2.357
5	Kenanga Nominees (Asing) Sdn Bhd Pledged Securities Account For Ng Geok Lui	32,860,800	2.347
6	Affin Hwang Nominees (Asing) Sdn Bhd Exempt An for Phillip Securities (Hong Kong) Ltd (Clients' Account)	32,700,000	2.335
7	CGS International Nominees Malaysia (Asing) Sdn. Bhd. Pledged Securities Account for One Objective Limited	29,062,500	2.076
8	United Crest Equity Limited	25,695,788	1.835
9	Commerce Technology Ventures Sdn Bhd (In Liquidation)	20,103,400	1.436
10	CGS International Nominees Malaysia (Asing) Sdn. Bhd. Pledged Securities Account for Hsieh, Hung-Ming	16,000,000	1.142
11	Er Ley Tee	15,230,000	1.087
12	CGS International Nominees Malaysia (Asing) Sdn. Bhd. Pledged Securities Account for Powerful Properties Limited	15,136,700	1.081
13	Teo Tiew	14,927,000	1.066
14	Maybank Nominees (Tempatan) Sdn Bhd Chin Yin Foong	14,000,000	1.000



Shareholding
Statistics
(cont'd)

THIRTY LARGEST SHAREHOLDERS (CONT'D)

No.	Name	Shareholding	%
15	Maybank Nominees (Tempatan) Sdn Bhd Neoh Ang Hing	13,500,000	0.964
16	Cartaban Nominees (Asing) Sdn Bhd Exempt An for BOCI Securities Ltd (Clients A/C)	12,850,100	0.917
17	Tan Kheak Chun	11,000,000	0.785
18	CGS International Nominees Malaysia (Asing) Sdn. Bhd. Pledged Securities Account for Ng Geok Lui	10,958,400	0.782
19	CGS International Nominees Malaysia (Asing) Sdn. Bhd. Pledged Securities Account for Wang, Hsu-Ying	10,605,200	0.757
20	Key ASIC Limited	10,000,000	0.714
21	Kenanga Nominees (Tempatan) Sdn Bhd Rakuten Trade Sdn Bhd for Lim Lae Yong	8,990,000	0.642
22	Teh Boon King	8,651,000	0.617
23	Lai Sung Loi	8,500,000	0.607
24	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Eng Heng	8,000,000	0.571
25	Canvas Technology Pte Ltd	6,772,000	0.483
26	Lee Kin Hin	6,021,500	0.430
27	Quey Sew Leng @ Quek Siew Leng	6,000,000	0.428
28	Tham Mee Ling	5,800,000	0.414
29	Sua Yong Chin	5,325,200	0.380
30	Liew Wai Han	5,200,000	0.371

SUBSTANTIAL SHAREHOLDERS BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 2 SEPTEMBER 2025

Name of substantial shareholder	Nationality / Place of incorporation	Direct		Indirect	
		No. of Shares held	% held	No. of Shares held	% held
Key ASIC Limited	British Virgin Islands	325,869,500	23.28	—	—
Key Aim Group Limited	British Virgin Islands	—	—	325,869,500 ^(a)	23.28
Eg Kah Yee	Malaysian	1,600,000	0.11	325,869,500 ^(b)	23.28

Notes:-

(a) Deemed interest by virtue of its interest in Key ASIC Limited ("KAL") pursuant to Section 8 of the Companies Act 2016 ("the Act").

(b) Deemed interest by virtue of his interest in Key Aim Group Limited ("KAGL") pursuant to Section 8 of the Act and KAGL is deemed interested by virtue of its interest in KAL pursuant to Section 8 of the Act.

Shareholding
 Statistics
 (cont'd)

DIRECTORS' SHAREHOLDING BASED ON REGISTER OF DIRECTORS' SHAREHOLDING AS AT 2 SEPTEMBER 2025

Name	Direct		Indirect		No. of Share Options under the Employees' Share Option Scheme
	No. of Shares	%	No. of Shares	%	
Eg Kah Yee	1,600,000	0.11	325,869,500(a)	23.28	20,400,000
Benny T. Hu @ Ting Wu Hu	–	–	–	–	4,000,000
Datuk Md Zubir Ansori Bin Yahaya	–	–	–	–	4,000,000
Chen, Chia-Yin	–	–	–	–	4,000,000
Prof. Low Teck Seng	–	–	–	–	4,000,000

Note:-

- (a) Deemed interested by virtue of his interest in KAGL pursuant to Section 8 of the Act and KAGL is deemed interested by virtue of its interest in KAL pursuant to Section 8 of the Act.



NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of the Company will be held at Greens III, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 12 November 2025 at 9.00 a.m. to transact the following businesses: -

AGENDA

ORDINARY BUSINESS

- | | |
|--|---|
| 1. To receive the Audited Financial Statements for the financial year ended 31 May 2025 together with the Reports of the Directors and Auditors thereon. | (Please see Explanatory Note 1) |
| 2. To approve the payment of Directors' Fees of RM144,000 for the period from 13 November 2025 until the date of the next Annual General Meeting of the Company. | (Resolution 1)
(Please refer to Explanatory Note 2) |
| 3. To re-elect Benny T. Hu @ Ting Wu Hu who retires pursuant to Clause 76(3) of the Company's Constitution. | (Resolution 2)
Please refer to Explanatory Note 3) |
| 4. To re-elect Chen, Chia-Yin who retires pursuant to Clause 76(3) of the Company's Constitution. | (Resolution 3)
(Please see Explanatory Note 3) |
| 5. To re-appoint Morison LC PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | (Resolution 4) |

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without modifications: -

- | | |
|--|---|
| 6. ORDINARY RESOLUTION I
AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | (Resolution 5)
(Please refer to Explanatory Note 4) |
| <p>"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate").</p> | |

Notice of
 Twentieth Annual General Meeting
(cont'd)

THAT such approval on the Proposed General Mandate shall continue to be in force until:

- a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
- b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

7. ORDINARY RESOLUTION II
CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

(Resolution 6)
 (Please refer to
 Explanatory Note 5)

"THAT approval be and is hereby given to Chen, Chia-Yin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Non-Executive Director of the Company and to hold office until the completion of her twelfth year of service with the Company."

8. ORDINARY RESOLUTION III
PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

(Resolution 7)
 (Please refer to
 Explanatory Note 6)

"THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), the Company and its subsidiaries ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 1.4 of the Circular to Shareholders dated 30 September 2025 ("Related Parties") provided that such transactions and/or arrangements are:-

- (a) necessary for the day-to-day operations;
- (b) are undertaken in the ordinary course of business at arm's length basis and are on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (c) are not detrimental to the minority shareholders of the Company,

(collectively known as "Shareholders' Mandate");

Notice of
Twentieth Annual General Meeting
(cont'd)

THAT such approval, shall continue to be in force until: -

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed; or
- (b) the expiration of the period within the next AGM of the Company after that date is required to be held pursuant to Section 340 of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever is earlier;

THAT the estimated aggregate value of the transactions conducted pursuant to the Shareholders' Mandate during a financial year will be disclosed, in accordance with the Listing Requirements, in the Annual Report of the Company for the said financial year;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

- 9. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board

NUR SHAHFAIZA BINTI MD YUSOFF
(SSM PC NO. 202008000953) (MAICSA 7052006)

ELIZABETH ALLISON DE ZILVA
(SSM PC NO. 202008002112) (MAICSA 7030086)
Company Secretaries

Kuala Lumpur
Dated: 30 September 2025

NOTES: -

1. *For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 5 November 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.*
2. *A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.*
3. *A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.*
4. *If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.*

Notice of
Twentieth Annual General Meeting
(cont'd)

NOTES: - (CONT'D)

5. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company's Share Registrar not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof :-

In hard copy form

The proxy form shall be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

By electronic form

The proxy form can be electronically lodged with the Company's Share Registrar via Vistra Share Registry and IPO (MY) portal ("The Portal") at <https://srmy.vistra.com>. Kindly refer to the Administrative Guide on the procedures for electronic lodgment of proxy form via The Portal.

9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
11. Last date and time for lodging the Proxy Form is Monday, 10 November 2025 at 9.00 a.m.

EXPLANATORY NOTE ON ORDINARY/ SPECIAL BUSINESS

1. Item 1 of Agenda

This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2. Directors' Fees

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting. The details of the Directors' remuneration are set out in the Corporate Governance Overview Statement of the 2025 Annual Report.

The Proposed Resolution 1 is to facilitate the payment of Directors' fees for the period from 13 November 2025 until the date of the next Annual General Meeting of the Company, calculated based on the current board size. In the event the Directors fees proposed are insufficient (due to enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

Notice of
Twentieth Annual General Meeting
(cont'd)

EXPLANATORY NOTE ON ORDINARY/ SPECIAL BUSINESS (CONT'D)

3. Re-election of Directors

Benny T. Hu @ Ting Wu Hu and Chen, Chia-Yin are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the Twentieth Annual General Meeting.

The Board has through the Nomination Committee ("NC"), considered the assessment of Benny T. Hu @ Ting Wu Hu and Chen, Chia-Yin and agreed that they met the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their roles as Directors. The abovementioned Directors have also met the relevant requirements under the fit and proper assessment and the NC is satisfied with the outcome of the fit and proper assessments. The NC and the Board had also undertaken an annual assessment on the independence of Chen, Chia-Yin, who is an Independent Non-Executive Director of the Company. Chen, Chia-Yin who was appointed on 24 June 2014 would reach a cumulative term of twelve (12) years on 23 June 2026 and should the shareholders approve her re-election as a Director at the Twentieth Annual General Meeting on 12 November 2025, Chen, Chia-Yin will only be able to continue to serve as an Independent Non-Executive Director until 23 June 2026. As she is currently the only woman Director on the Board, a decision regarding her potential re-designation as a Non-Independent Director will be further discussed and determined in due course.

Please refer to the Statement Accompanying Notice of Annual General Meeting for more information.

4. ORDINARY RESOLUTION I

Resolution pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution proposed under Resolution 5 is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate").

The Ordinary Resolution proposed under Resolution 5, if passed, would empower the Directors to issue and allot up to a maximum of 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier.

This Proposed General Mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

The purpose of the Proposed General Mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for any possible fund raising activities including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Nineteenth Annual General Meeting.

Notice of
Twentieth Annual General Meeting
(cont'd)

EXPLANATORY NOTE ON ORDINARY/ SPECIAL BUSINESS (CONT'D)

5. ORDINARY RESOLUTION II

Continuation in Office as Independent Non-Executive Director

Pursuant to the Malaysian Code on Corporate Governance, it is recommended that annual approval of the shareholders be sought in the event the Company intends to retain an Independent Director who has served in that capacity for more than nine (9) years.

Chen, Chia-Yin was first appointed to the Board on 24 June 2014 and therefore served the Company as Independent Non-Executive Director for more than nine (9) years. The Board has via the Nomination Committee assessed the independence of Chen, Chia-Yin and recommended that she continues to act as an Independent Non-Executive Director of the Company. Details of the Board's justifications and recommendations for the retention of Chen, Chia-Yin are set out in the Corporate Governance Overview Statement of the 2025 Annual Report.

Chen, Chia-Yin would reach a cumulative term of twelve (12) years on 23 June 2026 and should the shareholders approve her continuation in office as an Independent Non-Executive Director at the Twentieth Annual General Meeting on 12 November 2025, Chen, Chia-Yin will only be able to continue to serve as an Independent Non-Executive Director until 23 June 2026. As she is currently the only woman Director on the Board, a decision regarding her potential re-designation as a Non-Independent Director will be further discussed and determined in due course.

The Ordinary Resolution proposed under Resolution 6, if passed, will enable Chen, Chia-Yin to continue to act as an Independent Non-Executive Director of the Company until 23 June 2026.

Pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance, the Company will adopt the two-tier voting process in seeking annual shareholders' approval for this resolution.

6. ORDINARY RESOLUTION III

Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Ordinary Resolution, proposed under Resolution 7, if passed, will allow the Group to enter into recurrent related party transactions made on an arm's length basis and on normal commercial terms and which are not detrimental to the interests of the minority shareholders.

Please refer to the Circular to Shareholders dated 30 September 2025 for information on the recurrent related party transactions.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD.

There are no individuals standing for election/appointment as Directors at the Twentieth Annual General Meeting (“AGM”).

The Directors who are standing for re-election at the Twentieth AGM are Benny T. Hu @ Ting Wu Hu and Chen, Chia-Yin (“Retiring Directors”) whose profiles are set out on page 4 of the 2025 Annual Report.

The Board has through the Nomination Committee (“NC”), considered the assessment of the Retiring Directors and agreed that they met the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their roles as Directors. The Retiring Directors have also met the relevant requirements under the fit and proper assessment and the NC is satisfied with the outcome of the fit and proper assessments. The NC and the Board had also undertaken an annual assessment on the independence of Chen, Chia-Yin, who is an Independent Non-Executive Director of the Company.

The Retiring Directors confirmed that they do not have any conflict of interest, potential or perceived conflicts of interest, including interest in any business that is in competition with the Company or its subsidiaries.

Having considered the above, the Board supports and recommended the re-election of Benny T. Hu @ Ting Wu Hu and Chen, Chia-Yin as Directors of the Company based on the following:-

1. Benny T. Hu @ Ting Wu Hu

Benny T. Hu @ Ting Wu Hu was appointed as Independent Non-Executive Director on 14 October 2009 and re-designated to Non-Independent Non-Executive Director on 26 August 2022. The Board, via the NC had assessed Benny T. Hu @ Ting Wu Hu, who is due to retire at the forthcoming Twentieth AGM, and was satisfied that he would continue to bring valuable contribution and views to the Group with his background, skills and vast experience in finance and investment as well as a member of the Audit Committee and Nomination Committee.

2. Chen, Chia-Yin

Chen, Chia-Yin was appointed as the Independent Non-Executive Director of the Company on 24 June 2014. The Board, via the NC had assessed Chen, Chia Yin, who is due to retire at the forthcoming Twentieth AGM, and was satisfied that she would continue to bring valuable contribution and views to the Group with her background, skills and vast experience in banking and finance. She has also exercised due care and fulfill her responsibilities proficiently during her tenure as Independent Non-Executive Director as well as a member of the Audit Committee, Nomination Committee and Remuneration Committee. *Chen, Chia-Yin who was appointed on 24 June 2014 would reach a cumulative term of twelve (12) years on 23 June 2026 and should the shareholders approve her continuation in office as an Independent Non-Executive Director at the Twentieth Annual General Meeting on 12 November 2025, Chen, Chia-Yin will only be able to continue to serve as an Independent Non-Executive Director until 23 June 2026 and as she is currently the only woman Director on the Board, a decision regarding her potential re-designation as a Non-Independent Director will be further discussed and determined in due course.*

General Mandate for Issue of Securities

Kindly refer to item 4 of the Explanatory Note on Ordinary/Special Business as contained in the Notice of Twentieth AGM.

ADMINISTRATIVE GUIDE

FOR THE TWENTIETH ANNUAL GENERAL MEETING (“20TH AGM”)

Day and Date : **Wednesday, 12 November 2025**
Time : **9.00 a.m.**
Venue : **Greens III, Sports Wing, Tropicana Golf & Country Resort,
Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan**

REGISTRATION ON THE DAY OF THE 20TH AGM

1. The registration counter will open at 8.00 a.m. on Wednesday, 12 November 2025 and will remain open until the conclusion of the 20th AGM or such time as may be determined by the Chairman of the meeting.
2. Please produce your ORIGINAL MyKad or Passport (for foreign shareholder) during registration for verification. Only original MyKad or Passport is valid for registration.
3. Please note that you are not allowed to register on behalf of another shareholder/proxy, even with the original MyKad or Passport of that other shareholder/proxy. Please make sure you collect your MyKad or Passport after the registration.
4. After verification and registration, you will be given an identification wristband. If you are attending the Meeting as a shareholder as well as proxy, you will be registered once and will only be given one identification wristband to enter the meeting hall. There is no replacement in the event that you lose/misplace the identification wristband.
5. After registration and signing on the Attendance List, please vacate the registration area.
6. The registration counter will only handle verification of shareholdings and registration. For other clarification or queries, you may proceed to the Help Desk.

HELP DESK

1. The Help Desk will handle all clarification and queries on matters relating to the 20th AGM. The Help Desk will also handle revocation of proxy's appointment.

CORPORATE MEMBERS

Corporate members who wish to appoint corporate representatives instead of proxy, must deposit their original or duly certified of appointment of corporate representative to Tricor Investor & Issuing House Services Sdn Bhd on or before the 20th AGM.

APPOINTMENT OF PROXY OR ATTORNEY

1. Only members whose names appear on the Record of Depositors as at 5 November 2025 shall be eligible to attend, speak and vote at the 20th AGM or appoint proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
2. Members can appoint the Chairman of the Meeting as their proxy and indicate the voting instruction in the proxy form.
3. If you wish to participate in the 20th AGM yourself, please do not submit any proxy form for the 20th AGM. You will not be allowed to participate in the 20th AGM together with a proxy appointed by you.
4. Accordingly, proxy form and/or documents relating to the appointment of proxy/attorney for the 20th AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner and must be received by the Company not less than 48 hours before the time set for the 20th AGM or not later than **Monday, 10 November 2025 at 9.00 a.m.**

Administrative
Guide
(cont'd)

APPOINTMENT OF PROXY OR ATTORNEY (CONT'D)

(i) In Hard copy form:

In the case of an appointment made in hard copy form (by hand/post), the proxy form shall be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

(ii) By Electronic form:

The procedures to submit your proxy form electronically via Vistra Share Registry and IPO (MY) portal ("The Portal") are summarised below:-

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User at The Portal	1. Visit the website at https://srmy.vistra.com. 2. Click "Register" and select "Individual Holder" and complete the New User Registration Form. 3. For guidance, you may refer to the tutorial guide available on the homepage. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <i>If you are an existing user with The Portal or our TIH Online portal previously, you are not required to register again.</i>
Proceed with submission of proxy form	1. After the release of the Notice of Meeting by the Company, login with your email address and password. 2. Select the corporate event: "KEY ASIC BERHAD 20TH AGM". 3. Navigate to the 3 dots at the end of the corporate event and choose "SUBMISSION OF PROXY FORM". 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Indicate the total number of shares assigned to your proxy(s) to vote on your behalf. 6. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. 7. Indicate your voting instructions – FOR or AGAINST or ABSTAIN. 8. Print the proxy form for your record.

APPOINTMENT OF PROXY OR ATTORNEY (CONT'D)

The procedures to submit your proxy form electronically via Vistra Share Registry and IPO (MY) portal ("The Portal") are summarised below:- (Cont'd)

Procedure	Action
ii. Steps for Corporation or Institutional Shareholders	
Register as a User at The Portal	1. Visit the website at https://srmy.vistra.com. 2. Click "Register" and select "Representative or Corporate Holder" and complete the New User Registration Form. 3. Complete the registration form with your personal details. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approval within two (2) working days. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor if you need clarifications on the user registration.</i>
Proceed with submission of proxy form	1. Login to https://srmy.vistra.com with your email address and password. 2. Select the corporate event: "KEY ASIC BERHAD 20TH AGM". 3. Navigate to the icon ">" at the end of the corporate event. 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Select the corporate holder's name. 6. Proceed to download the submission file. 7. Prepare the file for the appointment of proxy(ies) by inserting the required data. 8. Proceed to upload the duly completed proxy appointment file. 9. Select "Confirm" to complete your submission. 10. Print the confirmation report of your submission for your record.

VOTING AT MEETING

1. The voting at the 20th AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Company has appointed Tricor Investor & Issuing House Services Sdn. Bhd. as Poll Administrator to conduct poll voting electronically (e-voting) via The Portal and Independent Scrutineers will be appointed to verify the results of the poll.
2. During the 20th AGM, the Chairman will invite the Poll Administrator to brief you on the poll procedure.
3. Upon completion of the voting session for the 20th AGM, the Independent Scrutineers will verify the poll results for the announcement by the Chairman, followed by the Chairman's declaration whether the resolutions are carried.

RESULTS OF THE VOTING

The resolutions proposed at the 20th AGM and the results of the voting will be announced at the 20th AGM and subsequently via an announcement made by the Company through Bursa Securities at www.bursamalaysia.com.



Administrative
Guide
(cont'd)

NO RECORDING OR PHOTOGRAPHY

No recording or photography of the 20th AGM proceedings is allowed without prior written permission of the Company.

NO SMOKING POLICY

A no smoking policy is maintained in the Meeting Hall. Your co-operation is much appreciated.

ENQUIRY

If you have any enquiry prior to the meeting, you may contact the Share Registrar during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except public holidays).

Tricor Investor & Issuing House Services Sdn. Bhd.		
Telephone Number	General Line	603-2783 9299
Email	is.enquiry@vistra.com	

The Company may at its discretion make any changes to the above arrangements in the event of unforeseen circumstances.

CDS Account No.
No. of shares held

PROXY FORM

*I/We _____ Tel: _____

[Full name in block, NRIC/Registration No.]

of _____

being member(s) of Key ASIC Berhad, hereby appoint: -

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or (delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Twentieth Annual General Meeting of the Company to be held at Greens III, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 12 November 2025 at 9.00 a.m. and at any adjournment thereof, and to vote as indicated below: -

Item	Agenda	*For	*Against
ORDINARY BUSINESS			
1.	Approval of Directors' Fees for the period from 13 November 2025 until the date of the next Annual General Meeting of the Company.	(Resolution 1)	
2.	To re-elect Benny T. Hu @ Ting Wu Hu who retires under Clause 76(3) of the Company's Constitution.	(Resolution 2)	
3.	To re-elect Chen, Chia-Yin who retires under Clause 76(3) of the Company's Constitution.	(Resolution 3)	
4.	To re-appoint Morison LC PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	(Resolution 4)	
AS SPECIAL BUSINESS			
5.	To authorise Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.	(Resolution 5)	
6.	To approve Chen-Chia Yin to continue in office as Independent Non-Executive Director.	(Resolution 6)	
7.	Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	(Resolution 7)	

(Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.)

Dated this _____ day of _____ 2025.

Signature of Shareholder/Common Seal
Contact No.

* Manner of execution:

- If you are an individual member, please sign where indicated.
- If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - at least two (2) authorised officers, of whom one shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:-

Please read these Notes carefully and follow the procedures in the Administrative Guide for the General Meeting in order to participate remotely.

- For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 5 November 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
- A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
- If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The appointment of proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company's Share Registrar not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof :-

In hard copy form

The proxy form shall be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

By electronic form

The proxy form can be electronically lodged with the Company's Share Registrar via Vistra Share Registry and IPO (MY) portal ("The Portal") at <https://smy.vistra.com>. Kindly refer to the Administrative Guide on the procedures for electronic lodgment of proxy form via The Portal.



Notes:- (Cont'd)

9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
11. Last date and time for lodging the proxy form is Monday, 10 November 2025 at 9.00 a.m.

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AFFIX
STAMP

THE SHARE REGISTRAR
KEY ASIC BERHAD (200501024949 (707082-M))
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Tel : 03 2783 9299

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Fold This Flap For Sealing

