KEY ASIC BERHAD ("KEY ASIC" OR "THE COMPANY")
- KEY ASIC BERHAD SIGNS RM1.11 MILLION CONTRACT TO JOINTLY DEVELOP AI-DRIVEN, ULTRA-LOW POWER RF NAVIGATION CHIP WITH MIDDLE EAST PARTNER

INTRODUCTION

Pursuant to Paragraph 9.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of Key ASIC wishes to announce that Key ASIC had on 30 September 2025 entered into a contract with a navigation systems company in the Middle East to jointly develop an AI-Driven and RF-integrated navigation chip for a contract value totalling RM1.11 Million ("Contract").

INFORMATION ON CUSTOMER

The customer is a navigation systems company based in the Middle East which is engaged in the development and provision of navigation technologies.

DETAILS/SALIENT TERMS OF THE CONTRACT

Key ASIC Berhad has successfully secured a RM1.11 million contract from a navigation systems company in the Middle East to jointly develop an AI-driven RF-integrated navigation chip. The new chip is designed with ultra-low power consumption, higher accuracy and high-performance capabilities, making it a breakthrough in next-generation navigation technology that combines Artificial Intelligence (AI) with advanced Radio Frequency (RF) integration. This unique synergy allows the chip to deliver precise, reliable, and energy-efficient navigation across a wide range of commercial applications.

The chip is scheduled to tape-out in Q3 of 2026, with engineering samples expected shortly after, followed by mass production to meet global demand.

The integration of AI with RF technology is used in the following applications and Market Potential:

1. Automotive & Smart Mobility

- Powers in-dash navigation, autonomous driving, fleet management, ride-hailing, and Electronic Road Pricing (ERP).
- TAM: >USD 15B by 2033, fueled by connected and self-driving vehicles.

2. IoT & Smart Cities

- Supports traffic management, asset tracking, ride-sharing, last-mile delivery, and congestion control.
- TAM: >USD 10B by 2033, driven by rapid urbanization and IoT adoption.

3. Industrial Automation & Robotics

- Enables warehouse automation, precision agriculture, construction equipment, and drones.
- TAM: >USD 40B by 2033, with navigation chips powering efficiency and autonomy.

4. Healthcare & Emergency Services

- Critical for ambulance dispatch, medical drone delivery, and wearables for patient monitoring.
- TAM: ~USD 5B by 2033, as digital health and emergency tech accelerate.

5. Consumer Electronics & Wearables

- Embedded in smartphones, smartwatches, fitness trackers, and personal navigation devices.
- TAM: >USD 20B annually, representing the largest volume of navigation-enabled devices.

Collectively, these applications represent a global TAM exceeding USD 90B by 2033, with strong demand across consumer, industrial, and infrastructure markets.

Key ASIC anticipates multiple monetisation pathways from this development:

- Direct Chip Sales: Supplying chips for integration into automotive, IoT, healthcare, industrial, and consumer electronics systems.
- Licensing of IP: Offering the AI-RF navigation IP blocks to global semiconductor companies and OEMs.
- Ecosystem Partnerships: Collaborating with system integrators, smart city solution providers, and device manufacturers.
- Recurring Revenue: Potential software and firmware updates powered by AI models that continuously enhance navigation performance.

These revenue streams position Key ASIC to capture both high-volume consumer markets and high-value industrial sectors, delivering strong upside potential for investors while ensuring wide adoption across industries.

RATIONALE, BENEFIT AND PROSPECT

The Contract is likely to generate recurring income for the next few years.

RISK FACTORS

Key ASIC does not foresee any significant risks other than financial risk associated with the Contract.

INTEREST OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the Directors and/or major shareholders of the Company and/or persons connected to them have any interest, whether direct and/or indirect, in the Contract.

FINANCIAL EFFECT AND EFFECT ON SHARE CAPITAL AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDING

The Contract will not have any effect on the share capital and substantial shareholders' shareholdings of the Company.

The Contract is not expected to have a material effect on the earnings per share, net assets per share and gearing of the Company for the financial year ending 31 May 2026.

APPROVAL REQUIRED

The Contract is not subject to the approval of the shareholders of Key ASIC or any regulatory authorities.

STATEMENT BY BOARD OF DIRECTORS

The Board of Directors of Key ASIC is of the opinion that the Contract is in the best interest of Key ASIC Group.

This announcement is dated 30 September 2025.