



**CORAZA INTEGRATED TECHNOLOGY BERHAD**

Registration No.: 202001039065 (1395386-M)  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

# CORAZA INTEGRATED TECHNOLOGY BERHAD

Registration No.: 202001039065 (1395386-M)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)(2)</sup> FOR THE PERIOD ENDED 30 JUNE 2022

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2022 RM'000	Preceding Year Corresponding Quarter 30.06.2021 RM'000	Current Year-To- Date 30.06.2022 RM'000	Preceding Year Corresponding Year-To-Date 30.06.2021 RM'000
Revenue	34,539	N/A	68,862	43,195
Cost of sales	(26,203)	N/A	(51,385)	(30,118)
<b>Gross profit</b>	<b>8,336</b>	<b>N/A</b>	<b>17,477</b>	<b>13,077</b>
Other income	2,256	N/A	2,523	898
Administrative expenses <sup>(3)</sup>	(3,609)	N/A	(8,307)	(4,705)
Selling and distribution expenses	(1,247)	N/A	(2,276)	(1,795)
<b>Operating Profit</b>	<b>5,736</b>	<b>N/A</b>	<b>9,417</b>	<b>7,475</b>
Finance costs	(178)	N/A	(353)	(349)
<b>Profit before taxation</b>	<b>5,558</b>	<b>N/A</b>	<b>9,064</b>	<b>7,126</b>
Taxation	B5 (1,380)	N/A	(2,686)	(1,714)
<b>Net profit/ Total comprehensive income for the period</b>	<b>4,178</b>	<b>-</b>	<b>6,378</b>	<b>5,412</b>
<b>Net profit/ Total comprehensive income for the period attributable to:</b>				
Owners of the Company	4,178	-	6,378	5,412
Basic earnings per share ("EPS") (sen) <sup>(4)</sup>	B11 0.98	N/A	1.49	1.74

### Notes:

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.
- (2) The interim financial report announced in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). There are no comparative figures for the preceding corresponding quarter as the Company was listed on the ACE Market of Bursa Securities on 20 January 2022 and as such no interim financial report was prepared for the comparative financial period concerned.
- (3) Administrative expenses included non-recurring listing expenses of RM1.7 million. For illustration purposes only, the Group's normalised financial performance after adjusting for the non-recurring listing expenses is as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2022 RM'000	Preceding Year Corresponding Quarter 30.06.2021 RM'000	Current Year-To- Date 30.06.2022 RM'000	Preceding Year Corresponding Year-To-Date 30.06.2021 RM'000
Profit before tax	5,558	N/A	9,064	7,126
Add : Listing expenses	-	N/A	1,745	-
<b>Adjusted profit before tax</b>	<b>5,558</b>	<b>N/A</b>	<b>10,809</b>	<b>7,126</b>

- (4) Basic EPS for 30 June 2022 is calculated based on the Company's share capital of 428,331,001 ordinary shares after the Company was listed on the ACE market of Bursa Securities on 20 January 2022. Basic EPS for 30 June 2021 is calculated based on the share capital of 310,540,001 ordinary shares.

N/A Not applicable.

**CORAZA INTEGRATED TECHNOLOGY BERHAD**

Registration No.: 202001039065 (1395386-M)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION <sup>(1)</sup>**  
AS AT 30 JUNE 2022

	(Unaudited) As at 30.06.2022 RM'000	(Audited) As at 31.12.2021 RM'000
<b>ASSETS</b>		
<b>Non-current asset</b>		
Property, plant and equipment	33,890	28,953
Right of use asset	489	-
<b>Total non-current asset</b>	<b>34,379</b>	<b>28,953</b>
<b>Current assets</b>		
Inventories	28,310	24,970
Trade receivables	38,395	34,957
Other receivables, deposits and prepayments	2,919	3,236
Current tax receivable	-	965
Cash and cash equivalents	27,123	4,534
<b>Total current assets</b>	<b>96,747</b>	<b>68,662</b>
<b>TOTAL ASSETS</b>	<b>131,126</b>	<b>97,615</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	60,793	29,253
Merge reserve	(26,753)	(26,753)
Retained profits	45,980	39,602
<b>TOTAL EQUITY</b>	<b>80,020</b>	<b>42,102</b>
<b>Non-current liabilities</b>		
Deferred income	1,290	1,458
Deferred tax liabilities	2,022	2,022
Borrowings	8,836	9,157
Lease liability	213	-
<b>Total non-current liabilities</b>	<b>12,361</b>	<b>12,637</b>
<b>Current liabilities</b>		
Trade payables	22,500	19,686
Other payables and accruals	5,575	8,370
Refund liabilities	280	303
Borrowings	9,677	14,517
Current tax liabilities	436	-
Lease liability	277	-
<b>Total current liabilities</b>	<b>38,745</b>	<b>42,876</b>
<b>TOTAL LIABILITIES</b>	<b>51,106</b>	<b>55,513</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>131,126</b>	<b>97,615</b>
Net assets per ordinary share attributable to owners of the Company (RM) <sup>(2)</sup>	<b>0.19</b>	<b>0.14</b>

**Notes:**

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share for 30 June 2022 is calculated based on the Company's share capital of 428,331,001 ordinary shares after the Company was listed on the ACE market of Bursa Securities on 20 January 2022. The net asset per share for 31 December 2021 is calculated based on 310,540,001 ordinary shares.

**CORAZA INTEGRATED TECHNOLOGY BERHAD**

Registration No.: 202001039065 (1395386-M)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY <sup>(1)</sup>**  
FOR THE PERIOD ENDED 30 JUNE 2022

	Attributable to Owners of the Company			Total Equity RM'000
	Non-Distributable Share Capital RM'000	Merger Reserves RM'000	Distributable Retained Profits RM'000	
<b>6 months ended 30 June 2022</b>				
At 1 January 2022 (Audited)	29,253	(26,753)	39,602	42,102
Issuance of shares	32,982	-	-	32,982
Share issuance expenses	(1,442)	-	-	(1,442)
Total Comprehensive Income	-	-	6,378	6,378
At 30 June 2022 (Unaudited)	<b>60,793</b>	<b>(26,753)</b>	<b>45,980</b>	<b>80,020</b>

	Attributable to Owners of the Company			Total Equity RM'000
	Non-Distributable Share Capital RM'000	Invested Equity RM'000	Distributable Retained Profits RM'000	
<b>6 months ended 30 June 2021</b>				
At 1 January 2021 (Audited)	*(2)	2,500	26,755	29,255
Total Comprehensive Income	-	-	5,411	5,411
At 30 June 2021 (Audited)	<b>*(2)</b>	<b>2,500</b>	<b>32,166</b>	<b>34,666</b>

**Notes:**

(1) The basis of preparation of the above Unaudited Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.

(2) Denotes less than RM1,000.

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# CORAZA INTEGRATED TECHNOLOGY BERHAD

Registration No.: 202001039065 (1395386-M)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS<sup>(1)</sup> FOR THE PERIOD ENDED 30 JUNE 2022

	Current Year-To-Date 30.06.2022 RM'000	Preceding Year Corresponding Year-To-Date 30.06.2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>9,064</b>	<b>7,126</b>
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	2,241	1,500
Depreciation of right of use asset	70	77
Deferred income released	(168)	(168)
Property, plant and equipment written off	(34)	-
Gain on disposal of property, plant and equipment	-	(46)
Listing expenses	1,745	-
Interest expense	353	349
Interest income	(190)	(23)
Unrealised gain on foreign exchange	(670)	(661)
<b>Operating profit before working capital changes</b>	<b>12,411</b>	<b>8,154</b>
<b>Changes in working capital:</b>		
Increase in inventories	(3,340)	(6,967)
Increase in receivables	(3,785)	(4,089)
Increase in payables	56	3,586
Decrease in contract liabilities	(23)	-
<b>Cash generated from operations</b>	<b>5,319</b>	<b>684</b>
Income tax paid	(1,310)	(1,409)
Interest paid	(349)	(340)
<b>Net cash from/(used in) operating activities</b>	<b>3,660</b>	<b>(1,065)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	190	23
Proceeds from disposal of property, plant and equipment	34	78
Purchase of property, plant and equipment	(7,179)	(2,633)
<b>Net cash used in investing activities</b>	<b>(6,955)</b>	<b>(2,532)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	32,982	-
Payment of listing expenses	(3,187)	-
Decrease/(Increase) in prepayment of listing expenses	1,322	(355)
Payment of lease liability	(72)	(83)
Net(repayment)/drawdown of bankers' acceptance	(7,441)	137
Net (repayment)/drawdown of hire purchase	(1,183)	3,371
Net drawdown/(repayment) of term loans	2,285	(972)
Changes in fixed deposits pledged to a licensed bank	(361)	(1,834)
<b>Net cash from financing activities</b>	<b>24,345</b>	<b>264</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>21,050</b>	<b>(3,333)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<b>(932)</b>	<b>4,531</b>
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b>20,118</b>	<b>1,198</b>
<b>Represented by:</b>		
Cash and cash equivalents	27,123	4,055
Bank overdraft	(3,453)	-
Fixed deposits pledged to a licensed bank	(3,552)	(2,857)
	<b>20,118</b>	<b>1,198</b>

Note:

- (1) The above Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.

# CORAZA INTEGRATED TECHNOLOGY BERHAD

Registration No.: 202001039065 (1395386-M)

## A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING

### A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of Listing Requirements of Bursa Securities.

This is the Company’s fourth interim financial report on the unaudited condensed consolidated financial results for the second quarter ended 30 June 2022 announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2021 as disclosed in the Annual Report. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

### A2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Group’s audited financial statements for the financial year ended 31 December 2021 as disclosed in the Annual Report except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group.

	Effective for annual periods beginning on or after
MFRS 17 Insurance Contracts	1-Jan-2023
Amendments to MFRS 4 Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9	1-Jan-2023
Amendments to MFRS 17 Insurance Contracts	1-Jan-2023
Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	1-Jan-2023
Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies	1-Jan-2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1-Jan-2023
Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1-Jan-2023
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture	Effective date yet to be confirmed

The initial application of the above standards is not expected to have any material impact to the financial statements of the Group upon adoption.

### A3. Auditors’ report on Preceding Annual Financial Statements

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2021.

## CORAZA INTEGRATED TECHNOLOGY BERHAD

Registration No.: 202001039065 (1395386-M)

### A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONT'D)

#### A4. Seasonal or cyclical factors

The Group's operation was not significantly affected by any unusual seasonal or cyclical factors.

#### A5. Unusual items due to their nature, size or incidence

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the interim financial period ended 30 June 2022.

#### A6. Material changes in estimates

There were no material changes in estimates of amounts reported in prior interim periods or prior financial year that have a material effect in the current financial year to date.

#### A7. Debt and equity securities

There were no issuance, repurchases or repayments of debt and equity securities in the financial period ended 30 June 2022.

#### A8. Dividend paid

The Company did not pay any dividend in the financial period ended 30 June 2022.

#### A9. Segmental Information

The Group' contribution by business units based on their nature of businesses and services as well as by geographical factors is as follows:

(a) Contribution by business units

	<b>Current Year Quarter 30.06.2022 RM'000</b>	<b>Preceding Year Corresponding Quarter 30.06.2021<sup>(1)</sup> RM'000</b>	<b>Current Year-To-Date 30.06.2022 RM'000</b>	<b>Preceding Year Corresponding Year-To-Date 30.06.2021 RM'000</b>
<b>Revenue:-</b>				
Fabrication of sheet metal	29,076	N/A	57,437	37,096
Precision Machining	5,463	N/A	11,425	6,099
	<b>34,539</b>	<b>N/A</b>	<b>68,862</b>	<b>43,195</b>

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## CORAZA INTEGRATED TECHNOLOGY BERHAD

Registration No.: 202001039065 (1395386-M)

### A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONT'D)

#### A9. Segmental Information (Cont'd)

(b) Contribution by geographical factors

	Current Year Quarter 30.06.2022 RM'000	Preceding Year Corresponding Quarter 30.06.2021 <sup>(1)</sup> RM'000	Current Year-To-Date 30.06.2022 RM'000	Preceding Year Corresponding Year-To-Date 30.06.2021 RM'000
<b>Revenue:-</b>				
Malaysia	21,958	N/A	45,297	26,734
Singapore	9,264	N/A	16,866	12,204
United States of America	3,175	N/A	5,852	3,363
China	6	N/A	10	16
European countries	12	N/A	652	721
Other Asian countries	124	N/A	185	157
	<b>34,539</b>	<b>N/A</b>	<b>68,862</b>	<b>43,195</b>

#### Note:

<sup>(1)</sup> No comparative figures for the preceding quarter are available as this is the Group's fourth interim financial report on its consolidated results for the second quarter ended 30 June 2022 being announced by the Group in compliance with the Listing Requirements of Bursa Securities.

#### A10. Material events subsequent to the end of the reporting period

There were no other material events subsequent to the end of the current financial period under review that have not been reflected in this interim financial report other than those disclosed in item B6.

#### A11. Changes in composition of the Group

There were no material changes in the composition of the Group for the current financial period under review.

#### A12. Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets in the Group since the end of the last reporting period as at 30 June 2022.

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# CORAZA INTEGRATED TECHNOLOGY BERHAD

Registration No.: 202001039065 (1395386-M)

## A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONT'D)

### A13. Related Party Transactions Disclosures

The following companies are related parties as they relate to companies in which the directors of the Group have substantial financial interest.

- Unigen Corporation (“UC”)
- Surface Technology Solutions Sdn. Bhd. (“STS”)
- Kalungan Prestij Sdn. Bhd. (“KPSB”)

Type of transactions	Related parties	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.06.2022 RM'000	Preceding Year Corresponding Quarter 30.06.2021 <sup>(1)</sup> RM'000	Current Year To Date 30.06.2022 RM'000	Preceding Year Corresponding Period 30.06.2021 RM'000
Sales of fabricated parts	UC	411	N/A	647	251
Provision of finishing services	STS	776	N/A	1,657	894
Rental expenses	KPSB	6	N/A	12	12

The transactions were entered in the normal course of business and have been established under normal commercial terms that are no less favourable than those arranged with independent third parties.

#### Note:

- <sup>(1)</sup> No comparative figures for the preceding quarter are available as this is the Group's fourth interim financial report on its consolidated results for the second quarter ended 30 June 2022 being announced by the Group in compliance with the Listing Requirements of Bursa Securities.

### A14. Capital Commitments

	(Unaudited) As at 30.06.2022 RM'000	(Audited) As at 31.12.2021 RM'000
Contracted but not provided for:		
- Property, Plant and Equipment	9,203	3,308
Approved but not contracted for:		
- Property, Plant and Equipment	16,394	16,459
	<u>25,597</u>	<u>19,767</u>

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## CORAZA INTEGRATED TECHNOLOGY BERHAD

Registration No.: 202001039065 (1395386-M)

### B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

#### B1. Review of performance

	<b>Current Year Quarter 30.06.2022 RM'000</b>	<b>Preceding Year Corresponding Quarter 30.06.2021<sup>(1)</sup> RM'000</b>	<b>Current Year-To- Date 30.06.2022 RM'000</b>	<b>Preceding Year Corresponding Year-To-Date 30.06.2021 RM'000</b>
Revenue	34,539	N/A	68,862	43,195
Gross Profit (“GP”)	8,336	N/A	17,477	13,077
Profit before tax (“PBT”)	5,558	N/A	9,064	7,126

In the current quarter ended 30 June 2022 and financial year-to-date, the Group reported revenue of RM34.5 million and RM68.9 million respectively. It is mainly contributed from the sheet metal fabrication segment which accounted for RM29 million and RM57 million respectively, taking up approximately 84% of the total revenue for both periods. Among various industries, Semiconductor industry related products still takes predominance, being 60% of the total revenue, followed by Instrumentation and Life Science and Medical Devices products being 21% and 15% respectively in the current quarter.

For the current quarter and financial year-to-date, GP of RM8.3 million and RM17.5 million was recorded respectively, having an approximate margin of 25% for both periods. PBT for the current quarter amounted to RM5.6 million with 16% margin and RM9.1 million for year-to-date with 13% margin. If excluding non-recurring listing expenses of RM1.7 million incurred in Q1 2022, adjusted normalised profit before tax for year-to-date would be RM10.8 million with 16% margin. The distribution expenses and administrative expenses amounted to RM4.9 million for the current quarter and RM10.6 million for the year-to-date. The distribution expenses and administrative expenses mainly consists of staff costs, depreciation, maintenance fees for building and office equipment, insurance, professional fees, outward transport and utilities.

If compared both year-to-date performances for June 2021 and 2022, the variance in GP margin for both periods were due to the material cost increase in year 2022 contributed by the recent inflationary pressure. However, the increase in cost could progressively be passed on to our customers, which will be reflected on the following few quarters. Profit before tax margin maintains at 16% for both periods if excluded the listing expenses of RM1.7 million in year 2022.

Note:

- (1) There are no comparative figures for the corresponding preceding quarter’s results as this is the fourth interim financial report being announced by the Group in compliance with the Listing Requirements of the Bursa Securities.

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## CORAZA INTEGRATED TECHNOLOGY BERHAD

Registration No.: 202001039065 (1395386-M)

### B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS (CONT'D)

#### B2. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter 30.06.2022 RM'000	Current Year Preceding Quarter 31.03.2022 RM'000
Revenue	34,539	34,323
GP	8,336	9,141
PBT	5,558	3,506

The Group has achieved revenue of RM34 million for the quarter under review, which is comparable to the preceding quarter. Majority of the revenue is still contributed by Semiconductor related products at RM21 million respectively for both periods. We recorded a slight growth for Life Science and Medical Devices products by 3% and 2% for Instrumentation products netting off a slight decline for Electrical and Electronic products.

GP margin has decreased from 27% in preceding quarter to 24% in the current quarter. The decrease in margin was due to the increase in labour cost from the increase in headcount due to the set up of an additional rented facility of approximately 20,000 sq ft in Kulim, Kedah. This additional facility will focus on precision machining activity, which has started operating in this quarter. There's also the impact from the implementation of the revised minimum wages policy implemented from May 2022 onwards. PBT increased slightly by 6% if compared to the preceding quarter. If excluding the listing expenses of RM1.7 million, PBT margin would have been unchanged.

#### B3. Prospects of the Group

As disclosed in Section 7.19 of the Company's Prospectus dated 22 December 2021, the Group will implement the following future plans:

- Construction of a new factory (91,110 sq ft) adjacent to our current factory in Nibong Tebal, Pulau Pinang, which phase 1-3 will focus on precision machining, sheet metal fabrication (involving frames and structures) and finishing services.
- Invest in new machineries in order to improve the production capacity and service offerings to meet the increasing demand from our customers and to secure additional customers in the industry involved.

According to Worldwide Semiconductor Technology and Supply Chain Intelligence service from International Data Corporation, the semiconductor industry remains on track to deliver another year of growth with worldwide semiconductor revenue expecting to reach \$661 billion this year. With Cloud, network infrastructure and automotive markets expecting to maintain long term growth, Coraza remains positive given our involvement in the manufacturing for fabricated parts in various sectors as shown in the increased number of orders and enquiries that were received. In effort to reduce the gap between demand and supply of the Semiconductors industry, Coraza has identified another rental site in Kulim as the third site to increase the production facilities to cope with the customers' demand.

#### B4. Variance of actual profits from forecast profits

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review.

## CORAZA INTEGRATED TECHNOLOGY BERHAD

Registration No.: 202001039065 (1395386-M)

### B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS (CONT'D)

#### B5. Taxation

Taxation comprises the following:-

	Current Year Quarter 30.06.2022	Preceding Year Corresponding Quarter 30.06.2021 <sup>(1)</sup>	Current Year- To-Date 30.06.2022	Preceding Year Corresponding Year-To-Date 30.06.2021
Income tax expense				
-Current Period (RM'000)	1,380	N/A	2,686	1,714
Effective tax rate (%)	24.82	N/A	29.63	24.05
Statutory tax rate (%)	24.00	N/A	24.00	24.00

The Group's effective tax rate for the current financial quarter is higher than the statutory tax rate mainly due to our listing expenses which are non-deductible. If listing expenses are excluded, the current year-to-date effective tax rate would have been 25%.

#### Note:

<sup>(1)</sup> No comparative figures for the preceding quarter are available as this is the Company's fourth interim financial report on its consolidated results for the second quarter ended 30 June 2022 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

#### B6. Status of corporate proposals

Save for the following corporate proposals, there were no corporate proposals announced but not completed as at date of this interim financial report.

On 15 August 2022, M&A Securities Sdn. Bhd. ("M&A Securities") on behalf of the Board of Directors of Coraza Integrated Technology Berhad had announced that the Company proposes to implement a special issue of up to 61,200,000 new ordinary shares, representing approximately 14.29% of the Company's existing issued share capital to Bumiputera investors to be identified and/or approved by Ministry of International Trade and Industry ("MITI") at an issued price to be determined later.

Subsequently, on 17 August 2022, M&A Securities have submitted the additional listing application in relation to the Proposed Special Issue to Bursa Securities.

Further details of the Proposed Special Issue will be announced in due course.

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**CORAZA INTEGRATED TECHNOLOGY BERHAD**

Registration No.: 202001039065 (1395386-M)

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS (CONT'D)****B7. Utilisation of Proceeds from IPO**

The gross proceeds of RM33.0 million from the IPO is intended to be utilised in the following manner:

	<b>Details of use of proceeds</b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Re-allocation RM'000</b>	<b>Balance to be utilised RM'000</b>	<b>Estimated timeframe for the use of proceeds upon listing<sup>(1)</sup></b>
(i)	Purchase of new machinery	15,500	(4,495)	-	11,005	Within 36 months
(ii)	Construction of factory <sup>(2)</sup>	6,412	-	-	6,412	Within 36 months
(iii)	Implementation of ERP system	1,200	(609)	-	591	Within 12 months
(iv)	Extension of existing building	1,500	(1,414)	-	86	Within 12 months
(v)	Repayment of bank borrowings	4,600	(339)	-	4,261	Within 12 months
(vi)	Estimated listing expenses	3,770	(3,187)	(583)	-	Within 1 month
(vii)	Working capital <sup>(3)</sup>	-	-	583	583	Within 9 months
		<b>32,982</b>	<b>(10,044)</b>	<b>-</b>	<b>22,938</b>	

**Notes:**

- (1) From the date of listing of the Company.
- (2) The construction of our new factory is expected to be delayed as the consultant is still currently performing soil test to determine the type of pilling system to be used. Notwithstanding the delay, the Group's appointed contractors will endeavor to complete the construction of our new factory as stipulated in the Company's Prospectus. In the interim, the Group will utilize rented sites to scale its production to fulfill its customers' orders.
- (3) The amount re-allocated for the working capital purposes will be fully utilised by end of September 2022.

**B8. Group borrowings and debts securities**

<b>As at 30 June 2022</b>	<b>Long term RM'000</b>	<b>Short term RM'000</b>	<b>Total borrowings RM'000</b>
<b><u>Secured</u></b>			
Bank overdraft	-	3,452	3,452
Bankers' acceptance	-	2,411	2,411
Hire purchase	3,579	2,941	6,520
Term loans	5,257	873	6,130
<b>Total</b>	<b>8,836</b>	<b>9,677</b>	<b>18,513</b>

## CORAZA INTEGRATED TECHNOLOGY BERHAD

Registration No.: 202001039065 (1395386-M)

### B9. Material Litigation

There was no material litigation against the Group as at 30 June 2022.

## B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS (CONT'D)

### B10. Dividends

No dividend has been proposed or declared for the current financial period.

### B11. Earnings Per Share

The basic EPS for the current quarter and financial year-to-date are computed as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.06.2022	Preceding Year Corresponding Quarter 30.06.2021 <sup>(1)</sup>	Current Year- To-Date 30.06.2022	Preceding Year Corresponding Year-to-Date 30.06.2021
Profit attributable to Owners of the Company (RM'000)	4,178	N/A	6,378	5,412
Number of ordinary shares ('000)	428,331	N/A	428,331	310,540
EPS (sen)	0.98	N/A	1.49	1.74

#### Notes:

- <sup>(1)</sup> No comparative figures for the preceding quarter are available as this is the Company's fourth interim financial report on its consolidated results for the second quarter ended 30 June 2022 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

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**CORAZA INTEGRATED TECHNOLOGY BERHAD**

Registration No.: 202001039065 (1395386-M)

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS (CONT'D)****B12. Notes to Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

Profit for the period was derived after taking into consideration of the following:-

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.06.2022 RM'000	Preceding Year Corresponding Quarter 30.06.2021 <sup>(1)</sup> RM'000	Current Year- To-Date 30.06.2022 RM'000	Preceding Year Corresponding Year-to-Date 30.06.2021 RM'000
<b>After charging/ (crediting):-</b>				
Depreciation of property, plant and equipment	1,261	N/A	2,241	1,500
Depreciation of right of use assets	70	N/A	70	77
Interest expense	178	N/A	353	349
(Gain)/Loss on foreign exchange				
- Realised	(936)	N/A	(952)	178
- Unrealised	(848)	N/A	(670)	(661)
Short-term leases and lease of low value assets	104	N/A	167	102
Deferred income released	(84)	N/A	(168)	(168)
Gain on disposal of property, plant and equipment	-	N/A	-	(46)
Interest Income	(125)	N/A	(190)	(23)

**Note:**

- (1) No comparative figures for the preceding quarter are available as this is the Company's fourth interim financial report on its consolidated results for the second quarter ended 30 June 2022 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

**BY ORDER OF THE BOARD  
CORAZA INTEGRATED TECHNOLOGY BERHAD  
25 AUGUST 2022**