



**CORAZA INTEGRATED TECHNOLOGY BERHAD**

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

**INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

# CORAZA INTEGRATED TECHNOLOGY BERHAD

Registration No.: 202001039065 (1395386-M)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>

FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000	Current Year-To- Date 30.09.2023 RM'000	Preceding Year Corresponding Year-To-Date 30.09.2022 RM'000
Revenue	15,683	38,571	64,934	107,433
Cost of sales	(14,739)	(29,457)	(54,280)	(80,842)
<b>Gross profit ("GP")</b>	<b>944</b>	<b>9,114</b>	<b>10,654</b>	<b>26,591</b>
Other income	971	1,710	4,045	4,233
Administrative expenses	(4,080)	(4,206)	(11,105)	(12,513)
Selling and distribution expenses	(1,260)	(979)	(3,287)	(3,255)
<b>Operating (loss)/profit</b>	<b>(3,425)</b>	<b>5,639</b>	<b>307</b>	<b>15,056</b>
Finance costs	(141)	(199)	(514)	(552)
<b>(Loss)/Profit before taxation ("LBT")/("PBT")</b>	<b>(3,566)</b>	<b>5,440</b>	<b>(207)</b>	<b>14,504</b>
Taxation	B5 1,768	(1,354)	1,094	(4,040)
<b>Net (loss)/profit/ Total comprehensive (loss)/income for the period</b>	<b>(1,798)</b>	<b>4,086</b>	<b>887</b>	<b>10,464</b>
<b>Net (loss)/profit/ Total comprehensive income for the period attributable to:</b>				
Owners of the Company	(1,798)	4,086	887	10,464
(Loss)/Basic earnings per share ("LPS")/("EPS") (sen) <sup>(2)</sup>	B11 (0.41)	0.95	0.20	2.44

### 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 2022 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic EPS is calculated based on the weighted average of the Company's share capital of 436,389,934 ordinary shares (30 Sep 2022: 428,331,001 ordinary shares) after the Company was listed on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") on 20 January 2022 and allotment of shares as below:
- allotment of special issues of 905,000 new ordinary shares to Bumiputera investors identified and/or approved by Ministry of Investment, Trade and Industry ("**MITI**") on 16 December 2022.
  - allotment of 1<sup>st</sup> tranche of private placement of 64,385,400 new ordinary shares to independent investors identified on 6 September 2023.

# CORAZA INTEGRATED TECHNOLOGY BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION <sup>(1)</sup> AS AT 30 SEPTEMBER 2023

	(Unaudited) As at 30.09.2023 RM'000	(Audited) As at 31.12.2022 RM'000
<b>ASSETS</b>		
<b>Non-current asset</b>		
Property, plant and equipment	44,244	38,799
Right of use asset	2,257	3,295
<b>Total non-current asset</b>	<b>46,501</b>	<b>42,094</b>
<b>Current assets</b>		
Inventories	26,194	30,943
Trade receivables	15,768	34,993
Other receivables, deposits and prepayments	5,409	3,991
Tax recoverable	2,009	1,424
Cash and cash equivalents	56,767	27,040
<b>Total current assets</b>	<b>106,147</b>	<b>98,391</b>
<b>TOTAL ASSETS</b>	<b>152,648</b>	<b>140,485</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	101,025	61,403
Merge reserve	(26,753)	(26,753)
Retained profits	55,203	54,316
<b>TOTAL EQUITY</b>	<b>129,475</b>	<b>88,966</b>
<b>Non-current liabilities</b>		
Deferred income	870	1,122
Deferred tax liabilities	1,666	3,931
Borrowings	4,581	5,393
Lease liability	1,056	1,963
<b>Total non-current liabilities</b>	<b>8,173</b>	<b>12,409</b>
<b>Current liabilities</b>		
Trade payables	4,579	16,627
Other payables and accruals	3,503	12,120
Refund liabilities	70	310
Borrowings	5,598	8,698
Lease liability	1,250	1,355
<b>Total current liabilities</b>	<b>15,000</b>	<b>39,110</b>
<b>TOTAL LIABILITIES</b>	<b>23,173</b>	<b>51,519</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>152,648</b>	<b>140,485</b>
Net assets per ordinary share attributable to owners of the Company (RM) <sup>(2)</sup>	<b>0.30</b>	<b>0.21</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 2022 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the Company's share capital of 436,389,934 ordinary shares (30 Sep 2022: 428,331,001 ordinary shares) after the Company was listed on the ACE Market of Bursa Securities on 20 January 2022 and allotment of shares as below:
- (i) allotment of special issues of 905,000 new ordinary shares to Bumiputera investors identified and/or approved by MITI on 16 December 2022.
  - (ii) allotment of 1<sup>st</sup> tranche of private placement of 64,385,400 new ordinary shares to independent third-party investors on 6 September 2023.

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY <sup>(1)</sup> FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	-----Attributable to Owners of the Company-----			Total Equity RM'000
	Share Capital RM'000	Merger Reserves RM'000	Distributable Retained Profits RM'000	
<b><u>Period ended 30 September 2023</u></b>				
At 1 January 2023 (Audited)	61,403	(26,753)	54,316	88,966
Issuance of shares	40,563	-	-	40,563
Share issuance expenses	(941)	-	-	(941)
Total Comprehensive Income	-	-	887	887
At 30 September 2023 (Unaudited)	<b>101,025</b>	<b>(26,753)</b>	<b>55,203</b>	<b>129,475</b>

	-----Attributable to Owners of the Company-----			Total Equity RM'000
	Share Capital RM'000	Merger Reserves RM'000	Distributable Retained Profits RM'000	
<b><u>Period ended 30 September 2022</u></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	-	-	10,464	10,464
At 30 September 2022 (Unaudited)	<b>60,793</b>	<b>(26,753)</b>	<b>50,066</b>	<b>84,106</b>

### Note:

- <sup>(1)</sup> 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 2022 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.

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# CORAZA INTEGRATED TECHNOLOGY BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS<sup>(1)</sup> FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	Current Year-To-Date 30.09.2023 RM'000	Preceding Year Corresponding Year-To-Date 30.09.2022 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(207)	14,504
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	5,409	3,777
Depreciation of right of use asset	1,038	232
Deferred income released	(252)	(252)
Gain on disposal of property, plant and equipment	(44)	-
Property, plant and equipment written off	-	(34)
Listing expenses	28	1,745
Interest expense	514	552
Interest income	(383)	(281)
Unrealised gain on foreign exchange	(1,463)	(775)
<b>Operating profit before working capital changes</b>	<b>4,640</b>	<b>19,468</b>
<b>Net changes in:</b>		
Inventories	4,749	(2,408)
Receivables	15,870	(9,976)
Payables	(17,084)	1,252
Refund liabilities	(240)	27
<b>Cash generated from operations</b>	<b>7,935</b>	<b>8,363</b>
Income tax paid	(1,756)	(1,898)
Interest paid	(428)	(533)
<b>Net cash generated from operating activities</b>	<b>5,751</b>	<b>5,932</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	383	281
Proceeds from disposal of property, plant and equipment	65	34
Purchase of property, plant and equipment	(10,875)	(10,162)
<b>Net cash used in investing activities</b>	<b>(10,427)</b>	<b>(9,847)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	40,563	32,982
Payment of listing expenses	(1,060)	(3,187)
Payment of lease liability	(1,098)	(242)
(Increase)/Decrease in prepayment of listing expenses	(91)	1,322
Net repayment of bankers' acceptance	(3,662)	(5,856)
Net repayment of hire purchase	(3,811)	(2,097)
Net drawdown of revolving credit	1,800	-
Net repayment of term loans	1,765	(657)
Changes in fixed deposits pledged to a licensed bank	(668)	(695)
<b>Net cash from financing activities</b>	<b>33,738</b>	<b>21,570</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>29,062</b>	<b>17,655</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<b>23,080</b>	<b>(932)</b>
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b>52,142</b>	<b>16,723</b>
<b>Represented by:</b>		
Cash and cash equivalents	56,767	20,609
Less: Fixed deposits pledged to a licensed bank	(4,625)	(3,886)
	<b>52,142</b>	<b>16,723</b>

### Note:

<sup>(1)</sup> 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 2022 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.

# CORAZA INTEGRATED TECHNOLOGY BERHAD

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## 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 ACE Market Listing Requirements (“Listing Requirements”) of Bursa Securities.

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2022 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 2022.

### 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 2022 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
Amendments to MFRS 16 – Lease Liability in a Sale and Leaseback	1-Jan-2024
Amendments to MFRS 101 Presentation of Financial Statements – Non-Current Liabilities with Covenants.	1-Jan-2024
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures – <i>Supplier Finance Arrangements</i>	1-Jan-2024
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1-Jan-2025
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 2022.

### A4. Seasonal or cyclical factors

The Group’s operation is in general subject to the cyclical trends of the semiconductor and electronics industries, both of which rely on the global economic and industry outlook.

### 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 September 2023.

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

### 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

On 6th September 2023, the Company had issued a total of 64,385,400 new ordinary shares at an issue price of RM0.63 per share pursuant to private placement of new ordinary shares to independent third-party investors.

Save as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

### A8. Dividend paid

The Company did not pay any dividend in the financial period ended 30 September 2023.

### A9. Segmental Information

The Group's 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 30.09.2023 RM'000</b>	<b>Preceding Year Corresponding Quarter 30.09.2022 RM'000</b>	<b>Current Year-To-Date 30.09.2023 RM'000</b>	<b>Preceding Year Corresponding Year-To-Date 30.09.2022 RM'000</b>
<b>Revenue:-</b>				
Fabrication of sheet metal	14,843	32,049	60,081	89,486
Precision Machining	840	6,522	4,853	17,947
	<b>15,683</b>	<b>38,571</b>	<b>64,934</b>	<b>107,433</b>

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## 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 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000	Current Year-To-Date 30.09.2023 RM'000	Preceding Year Corresponding Year-To-Date 30.09.2022 RM'000
<b>Revenue:-</b>				
Malaysia	8,218	25,072	42,931	70,369
Singapore	6,586	10,120	16,778	26,986
United States of America	878	3,177	4,685	9,029
China	2	11	30	21
European countries	46	46	137	698
Other Asian countries	(47)	145	373	330
	<b>15,683</b>	<b>38,571</b>	<b>64,934</b>	<b>107,433</b>

### A10. Material events during the reporting period

#### (i) Private Placement

On 29 March 2023, the Company announced that it proposed to undertake a private placement of up to not more than 20.0% of the total number of issued shares of the Company or 85,847,000 shares (“**Placement Shares**”) (“**Proposed Private Placement**”). On 6 September 2023, the completion of the 1<sup>st</sup> tranche of the Private Placement comprising 64,385,400 Placement Shares were listed and quoted on the ACE Market of Bursa Securities.

#### (ii) Long Term Incentive Plan (“LTIP”)

On 29 March 2023, the Company announced that it proposed to establish and implement a LTIP of up to 10.0% of the Company’s total issued share capital (excluding treasury shares, if any) for eligible Directors and employees of the Company and its subsidiary (“**Proposed LTIP**”). The Proposed LTIP comprises of a share grant plan (“**Proposed SGP**”) and an employees’ share option scheme (“**Proposed ESOS**”). The resolution was approved by shareholders during the Extraordinary General Meeting convened on 20 July 2023.

Further details of the Proposals will be announced in due course.

#### (iii) Acquisition Of Property

On 14 August 2023, the Company's wholly-owned subsidiary, Coraza Systems Malaysia Sdn. Bhd. entered into a Sale and Purchase Agreement to acquire a parcel of freehold industrial land measuring approximately 8,538.00 square metres, including a single-storey detached industrial building with a 2-storey annex office block, for a total cash consideration of Ringgit Malaysia Seventeen Million Six Hundred And Eighty-Eight Thousand (RM17,688,000.00) only. The consideration of RM17,688,000 has been fully paid on 5 October 2023.

Saved as disclosed above, 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.



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

### A11. 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.

### A12. Changes in composition of the Group

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

### A13. 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 September 2023.

### A14. 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 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000	Current Year To Date 30.09.2023 RM'000	Preceding Year Corresponding Period 30.09.2022 RM'000
Sales of fabricated parts	UC	239	623	646	1,270
Provision of finishing services	STS	369	855	1,581	2,512
Rental expenses	KPSB	0	6	4	18

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.

### A15. Capital Commitments

	As at 30.09.2023 RM'000	As at 31.12.2022 RM'000
Contracted but not provided for:		
- Property, Plant and Equipment	19,385	8,603
Approved but not contracted for:		
- Property, Plant and Equipment	16,505	16,216
	<u>35,890</u>	<u>24,819</u>

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

### B1. Review of performance

	Current Year Quarter 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000	Changes %	Current Year-To-Date 30.09.2023 RM'000	Preceding Year Corresponding Year-To-Date 30.09.2022 RM'000	Changes %
Revenue	15,683	38,571	-59.34	64,934	107,433	-39.56
GP	944	9,114	-89.64	10,654	26,591	-59.93
(LBT)/PBT	(3,566)	5,440	-165.55	(207)	14,504	-101.43

#### Comparison with preceding year corresponding quarter

The Group reported a decrease in quarterly revenue to RM15.7 million and a LBT of RM3.6 million. This decline was primarily attributed to the persistent deferral of orders from semiconductor customers, stemming from a cyclical downturn in the semiconductor market and an ongoing inventory glut. The drop in GP was mainly caused by underutilization and absorption of fixed costs, including payroll, depreciation, and manufacturing overhead resulting from the capacity and capability expansion undertaken by the Group.

#### Comparison with preceding year corresponding year-to-date

For the year-to-date, the Group's revenue registered a decline to RM64.9 million and a LBT of RM0.2 million. The downturn in performance is primarily attributed to the persistent deferral of orders from semiconductor customers, a consequence of the cyclical downturn in the semiconductor market as well as inventory glut.

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

	Current Year Quarter 30.09.2023 RM'000	Current Year Preceding Quarter 30.06.2023 RM'000	Changes %
Revenue	15,683	20,902	-24.97
GP	944	3,290	-71.31
(LBT)/PBT	(3,566)	1,015	-451.33

The Group recorded a decrease in revenue, falling from RM20.9 million in the immediate preceding quarter to RM15.7 million in the current quarter. Correspondingly, the Group's performance reflected a loss before tax of RM3.6 million.

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## **B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS (CONT'D)**

### **B3. Prospects of the Group**

On 13 November 2023, Semiconductor Equipment and Materials International (SEMI) reported that the global semiconductor manufacturing industry is poised for recovery in the fourth quarter of 2023, setting the stage for sustained growth in 2024. Following five consecutive quarters of year-over-year declines, a return to growth is anticipated in Q4 2023, attributed to successful production cuts in the supply chain. Front-end equipment sales have surpassed the Integrated Circuit (IC) market, and this strength is expected to endure into the following year. Anticipating back-end equipment billings to reach lowest point in Q4 2023, this marks a significant turnaround for the chip manufacturing industry, signalling recovery from the downturn and building momentum for 2024.

The financial year 2023 remains challenging for the Group, intensified by prolonged customer delays across various industries, each experiencing a distinct push-out and recovery timeline. Despite the temporary slowdown, the Management maintains confidence in the Group's outlook, underpinned by strategic mid-term growth plans designed to capitalize on potential business opportunities. This involves a continuous strategic enhancement of capacity and capabilities. The newly acquired plant is on track with its upgrading and renovation plan, geared towards establishing a comprehensive one-stop solution facility targeting commercialization in different phases to support the project timeline. Furthermore, the Group actively sustains its proactive stance in talent acquisition, targeting diverse skill sets. This ensures that the Group's workforce remains attuned to the dynamic requirements of strategic growth plans, notwithstanding the prevailing global slowdown in the semiconductor industry.

The Group is making notable progress in the New Product Introduction process in various industries, anticipating a positive impact on revenue in the near future. Management consistently demonstrates dedicated commitment to sustain growth and adaptability in a dynamic business environment, leveraging strengths to enhance competitiveness and increased profitability. With these efforts, the Management expresses confidence in the Company's ability to deliver positive results in the forthcoming financial year.

In the context of the next level of capacity expansion, the Group initiated to construct a new factory adjacent to the existing facility in Nibong Tebal. The Management has refined the construction plan into a single phase, aiming to minimize construction costs. Currently, the Management is reviewing the tender submission with the consultant to ensure it aligns with the construction budget.

The ongoing expansion efforts in both capacity and capabilities indicate that the Group is well-prepared for the upcoming ramp-up as expected in 2024's recovery.

Based on the above, the Board of Directors ("**Board**") is optimistic of the Group's future prospects and is monitoring closely the Group's expansion plans to achieve the mid-term and long-term strategic goals.

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

The Group did not issue any profit forecast or profit guarantee in a public document.

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

#### B5. Taxation

Taxation comprises the following:-

	Current Year Quarter 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000	Current Year- To-Date 30.09.2023 RM'000	Preceding Year Corresponding Year-To-Date 30.09.2022 RM'000
Income tax expense				
-Current Period	(129)	1,354	51	4,040
-Prior year	1,120	-	1,120	-
Deferred tax				
-Current Period	(1,510)	-	(1,016)	-
-Prior year	(1,249)	-	(1,249)	-
	(1,768)	1,354	(1,094)	4,040
Effective tax rate (%)	49.58	24.89	528.50	27.85
Statutory tax rate (%)	24.00	24.00	24.00	24.00

The Group's tax position is primarily due to a loss position that defers the utilization of capital allowances and reinvestment allowances enjoyed by its subsidiary as well as unabsorbed business losses, offsetting taxation under provided for in the prior year.

#### B6. Status of corporate proposals

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

On 29 March 2023, M & A Securities Sdn. Bhd. ("**M&A Securities**") on behalf of the Board of Directors of Company had announced that the Company proposes to undertake the following:

- the proposed private placement of up to 85,847,000 new ordinary shares in the Company, representing not more than 20.0% of the issued share capital of Company to independent third-party investor(s) to be identified and at an issue price to be determined later ("**Proposed Private Placement**"); and
- the proposed establishment and implementation of a long term incentive plan ("**LTIP**") of up to 10.0% of the Company's total issued share capital (excluding treasury shares, if any) at any point in time over the duration of the LTIP for eligible directors of Company and employees of Company and its subsidiary (excluding those which are dormant), who fulfil the eligibility criteria as set out in the by-laws of the LTIP ("**Proposed LTIP**").

(collectively, referred to as the "**Proposals**")

On 28 April 2023, M&A Securities have submitted the additional listing application in relation to the Proposals to the Bursa Securities.

## **CORAZA INTEGRATED TECHNOLOGY BERHAD**

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### **B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS (CONT'D)**

#### **B6. Status of corporate proposals (cont'd)**

On 19 June 2023, M&A Securities on behalf of the Board of Directors of Company had announced that Bursa Securities had approved the following, subject to conditions:

- (a) listing and quotation of up to 85,847,000 Placement Shares to be issued pursuant to the Proposed Private Placement; and
- (b) listing and quotation of up to 10.0% of the Company's total number of issued shares (excluding treasury shares, if any), to be issued pursuant to the Proposed LTIP.

On 3 July 2023, a Notice of Extraordinary General Meeting was published.

On 20 July 2023, an Extraordinary General Meeting was convened, and the company obtained approval from the shareholders for all resolutions as set out in the Notice of the Extraordinary General Meeting dated 4 July 2023.

On 21 August 2023, Public Investment Bank Berhad was appointed to act as the joint placement agent to facilitate the Private Placement exercise.

On 22 August 2023, M&A Securities on behalf of the Board of Directors of Coraza had announced that Coraza fixed the issue price of the Placement Share at RM0.63 each, representing a discount of approximately RM0.0498 or 7.3% from the 5-day weighted average market price of Coraza Shares from 15 August 2023 to 21 August 2023 of approximately RM0.6798 per share.

On 6 September 2023, M&A Securities on behalf of the Board of Directors of Coraza had announced that the First Tranche of the Private Placement comprising 64,385,400 Placement Shares has been completed following the listing and quotation of 64,385,400 Placement Shares on the ACE Market of Bursa Securities. The Company's latest issued share capital was 493,621,401 under this corporate proposal. The net proceeds derived from the Private Placement was RM39.6 million after deducting transactions costs pursuant to the Private Placement.

On 17 November 2023, M&A Securities on behalf of the Board of Directors of Coraza had announced that the Company has made an application to Bursa Securities for extension of time of 6 months up to 12 June 2024 to complete the Private Placement.

Further details of the Proposals will be announced in due course.

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

#### B7a. Utilisation of Proceeds from IPO

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

	Details of use of proceeds	Proposed utilisation RM'000	Re-allocation RM'000	Actual utilisation RM'000	Balance to be utilised RM'000	Estimated timeframe for the use of proceeds upon listing <sup>(1)</sup>
(i)	Purchase of new machinery	15,500	-	(11,600)	3,900	Within 36 months
(ii)	Construction of factory <sup>(2)</sup>	6,412	-	-	6,412	Within 36 months
(iii)	Implementation of ERP system	1,200	-	(1,200)	-	Within 12 months
(iv)	Extension of existing building	1,500	-	(1,500)	-	Within 12 months
(v)	Repayment of bank borrowings	4,600	-	(4,600)	-	Within 12 months
(vi)	Estimated listing expenses	3,770	(583)	(3,187)	-	Within 1 month
(vii)	Working capital	-	583	(583)	-	Within 9 months
		<b>32,982</b>	<b>-</b>	<b>(22,670)</b>	<b>10,312</b>	

#### Notes:

(1) From the date of listing of the Company.

(2) The construction of our new factory is delayed as the Group has decided to commence construction of all 3 phases together. The Traffic Impact Assessment report has been submitted and approved by the council. The tender process has been conducted, and currently, the Management is reviewing the tender submission with the consultant to ensure it aligns with the construction budget before the project is awarded. Therefore, it is expected that the construction will experience a further delay from the originally planned scheduled. As a result, the construction is expected to commence in 2<sup>nd</sup> half of 2024 and is anticipated to be completed by 2<sup>nd</sup> half of 2025.

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# CORAZA INTEGRATED TECHNOLOGY BERHAD

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

### B7b. Utilisation of Proceeds from Private Placement

The gross proceeds of RM40.6 million from the first tranche of the private placement is intended to be utilised in the following manner:

	Details of use of proceeds	Proposed utilisation RM'000	Actual utilisation RM'000	Balance to be utilised RM'000	Estimated timeframe for the use of proceeds upon listing <sup>(1)</sup>
(i)	Purchase of new machinery	27,000	(3,698)	23,302	Within 24 months
(ii)	Set up of cleanroom	12,575	-	12,575	Within 24 months
(iii)	Estimated listing expenses	988	(988)	-	Within 1 month
		<b>40,563</b>	<b>(4,686)</b>	<b>35,877</b>	

#### Note:

<sup>(1)</sup> From the date of listing of the Company.

### B8. Group borrowings and debts securities

As at 30 September 2023	Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>			
Bankers' acceptance	-	2,438	2,438
Hire purchase	1,829	860	2,689
Revolving credit	-	1,800	1,800
Term loans	2,752	500	3,252
<b>Total</b>	<b>4,581</b>	<b>5,598</b>	<b>10,179</b>

### B9. Material Litigation

There was no material litigation against the Group as at 30 September 2023.

### 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 30.09.2023	Preceding Year Corresponding Quarter 30.09.2022	Current Year- To-Date 30.09.2023	Preceding Year Corresponding Year-to-Date 30.09.2022
Profit attributable to Owners of the Company (RM'000)	(1,798)	4,086	887	10,464
Weighted average number of ordinary shares ('000)	436,390	428,331	436,390	428,331
EPS (sen)	(0.41)	0.95	0.20	2.44

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES 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	Preceding Year	Current Year-	Preceding Year
	Quarter	Corresponding	To-Date	Corresponding
	30.09.2023	Quarter	30.09.2023	Year-to-Date
	RM'000	30.09.2022	RM'000	30.09.2022
		RM'000		RM'000
<b>After charging/ (crediting):-</b>				
Depreciation of property, plant and equipment	1,836	1,536	5,409	3,777
Depreciation on Right-of-use asset	346	162	1,038	232
PPE written off	-	-	-	(34)
Interest expense	141	199	514	552
Listing Expenses	-	-	28	1,745
(Gain)/Loss on foreign exchange				
- Realised	(719)	(1,189)	78	(2,141)
- Unrealised	722	(105)	(1,463)	(775)
Short-term leases and lease of low value assets	155	117	497	284
Deferred income released	(84)	(84)	(252)	(252)
Gain on disposal of property, plant and equipment	(5)	-	(44)	-
Interest income	(162)	(91)	(383)	(281)

**BY ORDER OF THE BOARD  
CORAZA INTEGRATED TECHNOLOGY BERHAD  
29 NOVEMBER 2023**