



CORAZA INTEGRATED TECHNOLOGY BERHAD

Registration No.: 202001039065 (1395386-M)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

CORAZA INTEGRATED TECHNOLOGY BERHAD

Registration No.: 202001039065 (1395386-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾ FOR THE PERIOD ENDED 31 MARCH 2024

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2024 RM'000	Preceding Year Corresponding Quarter 31.03.2023 RM'000	Current Year-To- Date 31.03.2024 RM'000	Preceding Year Corresponding Year-To-Date 31.03.2023 RM'000
Revenue	19,754	28,349	19,754	28,349
Cost of sales	<u>(17,801)</u>	<u>(21,929)</u>	<u>(17,801)</u>	<u>(21,929)</u>
Gross profit ("GP")	1,953	6,420	1,953	6,420
Other income	527	1,731	527	1,731
Administrative expenses	(2,590)	(4,493)	(2,590)	(4,493)
Selling and distribution expenses	<u>(1,299)</u>	<u>(1,115)</u>	<u>(1,299)</u>	<u>(1,115)</u>
Operating (loss)/profit	(1,409)	2,543	(1,409)	2,543
Finance costs	<u>(282)</u>	<u>(199)</u>	<u>(282)</u>	<u>(199)</u>
(Loss)/Profit before tax("LBT")/("PBT")	(1,691)	2,344	(1,691)	2,344
Taxation	B5 <u>368</u>	<u>(625)</u>	<u>368</u>	<u>(625)</u>
Net (loss)/profit/ Total comprehensive (loss)/income for the period	(1,323)	1,719	(1,323)	1,719
Net (loss)/profit/ Total comprehensive (loss)/ income for the period attributable to:				
Owners of the Company	<u>(1,323)</u>	<u>1,719</u>	<u>(1,323)</u>	<u>1,719</u>
(Loss)/Basic earnings per share ("LPS")/("EPS") (sen) ⁽²⁾	B11 <u>(0.27)</u>	<u>0.40</u>	<u>(0.27)</u>	<u>0.40</u>

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 2023 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 Company's share capital of 493,621,401 ordinary shares (31 March 2023: 429,236,001 ordinary shares) after the allotment of 1st tranche of private placement of 64,385,400 new ordinary shares to independent investors identified on 6 September 2023.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

AS AT 31 MARCH 2024

	(Unaudited) As at 31.03.2024 RM'000	(Audited) As at 31.12.2023 RM'000
ASSETS		
Non-current asset		
Property, plant and equipment	64,270	62,347
Right of use asset	1,565	1,911
Total non-current asset	65,835	64,258
Current assets		
Inventories	22,485	25,858
Trade receivables	17,766	13,443
Other receivables, deposits and prepayments	5,676	3,884
Tax recoverable	2,086	1,963
Cash and cash equivalents	52,074	53,676
Total current assets	100,087	98,824
TOTAL ASSETS	165,922	163,082
EQUITY AND LIABILITIES		
Share capital	101,025	101,025
Merge reserve	(26,753)	(26,753)
Retained profits	50,323	51,646
TOTAL EQUITY	124,595	125,918
Non-current liabilities		
Deferred income	366	450
Deferred tax liabilities	1,470	1,876
Borrowings	19,266	4343
Lease liability	485	772
Total non-current liabilities	21,587	7,441
Current liabilities		
Deferred income	336	336
Trade payables	3,126	3,604
Other payables and accruals	7,723	3,279
Refund liabilities	136	105
Borrowings	7,288	21,208
Lease liability	1,131	1,191
Total current liabilities	19,740	29,723
TOTAL LIABILITIES	41,327	37,164
TOTAL EQUITY AND LIABILITIES	165,922	163,082
Net assets per ordinary share attributable to owners of the Company (RM) ⁽²⁾	0.25	0.28

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 2023 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 493,621,401 ordinary shares (31 March 2023: 429,236,001 ordinary shares) after the allotment of 1st 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 ⁽¹⁾ FOR THE PERIOD ENDED 31 MARCH 2024

	-----Attributable to Owners of the Company-----			Total Equity RM'000
	Share Capital RM'000	Merger Reserves RM'000	Distributable Retained Profits RM'000	
<u>3 months ended 31 March 2024</u>				
At 1 January 2024 (Audited)	101,025	(26,753)	51,646	125,918
Total Comprehensive Loss	-	-	(1,323)	(1,323)
At 31 March 2024 (Unaudited)	101,025	(26,753)	50,323	124,595

	-----Attributable to Owners of the Company-----			Total Equity RM'000
	Share Capital RM'000	Merger Reserves RM'000	Distributable Retained Profits RM'000	
<u>3 months ended 31 March 2023</u>				
At 1 January 2023 (Audited)	61,403	(26,753)	54,316	88,966
Total Comprehensive Income	-	-	1,719	1,719
At 31 March 2023 (Unaudited)	61,403	(26,753)	56,035	90,685

Note:

- (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 2023 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾
FOR THE PERIOD ENDED 31 MARCH 2024

	Current Year-To-Date 31.03.2024 RM'000	Preceding Year Corresponding Year-To-Date 31.03.2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(1,691)	2,344
Adjustments for:		
Depreciation of property, plant and equipment	1,807	1,911
Depreciation of right of use asset	346	346
Deferred income released	(84)	(84)
Interest expense	282	199
Interest income	(309)	(125)
Unrealised gain on foreign exchange	(60)	(1,521)
Operating profit before working capital changes	291	3,070
Net changes in:		
Inventories	3,373	469
Receivables	(6,115)	4,373
Payables	4,026	(10,682)
Refund liabilities	31	(44)
Cash generated from/(used in) operations	1,606	(2,814)
Income tax paid	(161)	(582)
Interest paid	(263)	(355)
Net cash from/(used in) operating activities	1,182	(3,751)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	309	125
Purchase of property, plant and equipment	(3,730)	(4,784)
Net cash used in investing activities	(3,421)	(4,659)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability	(366)	(366)
Net drawdown of bankers' acceptance	791	486
Net repayment of hire purchase	(213)	(567)
Net repayment of revolving credit	(15,000)	-
Net drawdown/(repayment) of term loans	15,425	(239)
Changes in fixed deposits pledged to a licensed bank	600	(334)
Net cash from/(used in) financing activities	1,237	(1,020)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,002)	(9,430)
CASH AND CASH EQUIVALENTS AT BEGINNING	10,050	23,080
CASH AND CASH EQUIVALENTS AT END	9,048	13,650
Represented by:		
Fixed deposits with a licensed bank	46,903	14,292
Cash and bank balances	5,171	6,967
Overdraft	-	(3,317)
	52,074	17,942
Less: Fixed deposits pledged to a licensed bank	(43,026)	(4,292)
	9,048	13,650

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 2023 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.

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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 Malaysia Securities Berhad (“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 2023 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 2023.

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 2023 as disclosed in the Annual Report except for the following new MFRSs and amendments to MFRSs which have been issued by the MASB that are effective for annual periods beginning on or after 1 January 2024:

	Effective for annual periods beginning on or after
Amendments to MFRS 16 Leases – Leases 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

The adoption of the above MFRSs and Amendments to MFRSs did not result in any significant changes in the accounting policies of the Group.

As at the date of this announcement, the Group has not applied the following MFRSs and Amendments to MFRSs which have been issued as at the end of reporting period but are not yet effective for the Group:

	Effective for annual periods beginning on or after
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 impacts to the financial statements of the Group upon adoption.

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

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 2023.

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 during the financial period under review.

A6. Material changes in estimates

There were no changes in estimates that have a material effect in the during the financial period under review.

A7. Debt and equity securities

There were no issuance, repurchases or repayments of debt and equity securities during the financial period under review that have not been reflected in this interim financial report.

A8. Dividend paid

The Company did not pay any dividend in the financial quarter under review.

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

	Current Year Quarter 31.03.2024 RM'000	Preceding Year Corresponding Quarter 31.03.2023 RM'000	Current Year-To-Date 31.03.2024 RM'000	Preceding Year Corresponding Year-To-Date 31.03.2023 RM'000
Revenue:-				
Fabrication of sheet metal	18,116	25,383	18,116	25,383
Precision Machining	1,638	2,966	1,638	2,966
	19,754	28,349	19,754	28,349

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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 31.03.2024 RM'000	Preceding Year Corresponding Quarter 31.03.2023 RM'000	Current Year-To-Date 31.03.2024 RM'000	Preceding Year Corresponding Year-To-Date 31.03.2023 RM'000
Revenue:-				
Malaysia	12,100	20,539	12,100	20,539
Singapore	5,830	4,965	5,830	4,965
United States of America	1,480	2,397	1,480	2,397
China	15	15	15	15
European countries	18	52	18	52
Other Asian countries	311	381	311	381
	19,754	28,349	19,754	28,349

A10. Material events during the reporting period

(i) Proposed 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 1st tranche of the Private Placement comprising 64,385,400 Placement Shares were listed and quoted on the ACE Market of Bursa Securities. Subsequently in a letter dated 30 November 2023, Bursa Securities approved an extension of time until 12 June 2024 for the Company to complete the Private Placement.

(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.

On 29 February 2024, the Company announced that it had submitted the required confirmation to Bursa for the implementation of the LTIP, as per Rule 6.44(1) of the Listing Requirements. Consequently, the effective date for the LTIP implementation was confirmed as 29 February 2024.

On 1 April 2024, the Company awarded 615,900 Shares Grant Plan (“SGP”) shares to eligible persons at market price of RM0.535. The said SGP shares will be vested on 2 January 2025.

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

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 period under review.

A13. Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets in the Group for the current financial period under review.

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 31.03.2024 RM'000	Preceding Year Corresponding Quarter 31.03.2023 RM'000	Current Year To Date 31.03.2024 RM'000	Preceding Year Corresponding Period 31.03.2023 RM'000
Sales of fabricated parts	UC	449	202	449	202
Provision of finishing services	STS	567	665	567	665
Rental expenses	KPSB	-	4	-	4

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 31.03.2024 RM'000	As at 31.12.2023 RM'000
Contracted but not provided for:		
- Property, Plant and Equipment	9,204	9,250
Approved but not contracted for:		
- Property, Plant and Equipment	22,965	23,015
	<u>32,169</u>	<u>32,265</u>

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

B1. Review of performance

Comparison with preceding year corresponding quarter and financial year-to-date

	Current Year Quarter 31.03.2024 RM'000	Preceding Year Corresponding Quarter 31.03.2023 RM'000	Changes %	Current Year-To- Date 31.03.2024 RM'000	Preceding Year Corresponding Year-To-Date 31.03.2023 RM'000	Changes %
Revenue	19,754	28,349	-30.32	19,754	28,349	-30.32
GP	1,953	6,420	-69.58	1,953	6,420	-69.58
(LBT)/PBT	(1,691)	2,344	-172.14	(1,691)	2,344	-172.14

The Group reported a revenue of RM19.75 million for the current quarter, marking a decline from RM28.35 million in the corresponding quarter of the previous financial year. The soft performance over the past three preceding quarters has been attributed to the cyclical downturn in the semiconductor market, leading to the deferral of orders from semiconductor customers at various intervals.

Following the decrease in revenue, GP dwindled to RM1.95 million, resulting in a corresponding LBT of RM1.69 million. These declines were primarily due to the incurrence of relatively fixed operating overheads to support the Group's ongoing continuous expansion efforts to enhance capability and capacity.

B2. Comparison with immediate preceding quarter

	Current Year Quarter 31.03.2024 RM'000	Immediate Preceding Quarter 31.12.2023 RM'000	Changes %
Revenue	19,754	15,745	25.46
GP	1,953	1,294	50.93
LBT	(1,691)	(3,231)	-47.66

In the current financial quarter, the Group's revenue reached RM19.75 million, reflecting a modest improvement compared to the RM15.75 million recorded in the immediate preceding quarter. This improvement is attributed to the gradual recovery observed in certain sectors of the semiconductor industry.

The Group's GP for the current financial quarter increased to RM1.95 million from RM1.29 million in the immediate preceding quarter. Consequently, the Group's LBT decreased from RM3.23 million to RM1.69 million, indicating that the initial stage of recovery in the semiconductor sector remains slow.

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

B3. Prospects of the Group

On 7 May 2024, the Semiconductor Industry Association (“SIA”) reported global semiconductor sales totalling \$137.7 billion in the first quarter of 2024. This marked a 15.2% increase compared to the first quarter of 2023 but a 5.7% decline from the fourth quarter of 2023. The slip in sales followed typical seasonal trends, showing month-to-month and quarter-to-quarter declines. However, the market is anticipated to sustain growth throughout the year, with double-digit annual growth projected for 2024.

Additionally, the President of the Malaysia Semiconductor Industry Association (“MSIA”) anticipates a brighter outlook for the semiconductor industry as it recovers in the second half of 2024, despite the decline in sector performance due to softer demand resulting from lower consumer goods demand and high inventory levels in the first half of 2024, as reported by Star Press on 7 May 2024.

Despite the soft financial performance experienced in the 3 consecutive quarters under review, management maintains confidence in the Group's outlook. The reported gradual improvement in performance quarter to quarter indicates a positive start for the new financial year.

During the soft market sentiment, the Company has redirected its focus towards enhancing its manufacturing capabilities to broaden its product and service offerings, as well as strengthening our vertically integrated engineering solutions. This focus encompasses technological advancement, capacity expansion, and human capital development. It involves enhancing core process capabilities such as sheet metal, machining, welding, and high-level assembly through process innovation, advanced equipment capabilities, and skill development initiatives.

The Company is also prioritizing the development of strong and effective business development strategies to drive revenue growth. This includes actively broadening our market segments by expanding our presence in the aerospace, instrumentation, medical, and life sciences sectors as part of our initiative to mitigate sectoral risks.

The Group's persistent efforts in acquiring new customers and extending services to existing ones have significantly contributed to notable progress in the New Product Introduction process across various industries. In operations, the Group is proactively refining its manufacturing processes to enhance efficiency and effectiveness, implementing cost-control measures, and bolstering the quality system.

In term of capacity, the newly acquired plant (Lot No. 2778) opposite to existing Nibong Tebal plant is on schedule with its upgrade and renovation plans aimed at establishing a comprehensive one-stop solution facility. The Group has also initiated the construction of the new factory (Lot 2773 & Lot 2776) adjacent to the existing facility in Nibong Tebal. The management has consolidated the construction plan into a single phase, and tender resubmission has been conducted to minimize construction costs. Currently, the entire tender process has been completed, awaiting the administrative arrangements to award the construction project to an identified contractor. With this, the management anticipates the construction activities to commence by second quarter of 2024.

These improved capacities, capabilities and broader market segments initiatives are expected to contribute to Coraza's growth, positioning the Group to capitalize on the next semiconductor upcycle. With these efforts, management expresses confidence in the Group's ability to deliver better results in the new financial year.

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

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

B4. Variance of actual profits from forecast profits

The Group did not issue any profit forecast in the current financial period under review.

B5. Taxation

Taxation comprises the following: -

	Current Year Quarter 31.03.2024 RM'000	Preceding Year Corresponding Quarter 31.03.2023 RM'000	Current Year- To-Date 31.03.2024 RM'000	Preceding Year Corresponding Year-To-Date 31.03.2023 RM'000
Income tax expense				
-Current Period	39	625	39	625
Deferred tax				
-Current Period	(368)	-	(368)	-
-Prior year	(39)	-	(39)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	(368)	625	(368)	625
Effective tax rate (%)	21.76	26.66	21.76	26.66
Statutory tax rate (%)	24.00	24.00	24.00	24.00

The Group's tax position is mainly attributed to its loss position, which defers the utilization of capital allowances, reinvestment allowances, as well as unabsorbed business losses by its subsidiary.

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.

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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 after 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.

On 1 December 2023, on behalf of the Board of Directors of Coraza, M&A Securities is pleased to announce that Bursa Securities had vide its letter dated 30 November 2023 approved the extension of time up to 12 June 2024 for the Company to complete the Private Placement.

On 29 February 2024, the Company announced that necessary confirmation pursuant to Rule 6.44(1) of the Listing Requirements have been submitted to Bursa for the implementation of the LTIP. Accordingly, the effective date for the implementation of the LTIP is 29 February 2024.

On 1 April 2024, the Company awarded 615,900 Shares Grant Plan ("SGP") shares to eligible persons at market price of RM0.535. The said SGP shares will be vested on 2 January 2025.

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 ⁽¹⁾
(i)	Purchase of new machinery	15,500	-	(13,430)	2,070	Within 36 months
(ii)	Construction of factory ⁽²⁾	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
		32,982	-	(24,500)	8,482	

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 first tender process followed by tender resubmission has been conducted. Currently, the entire tender process has been completed, awaiting the administrative arrangements to award the construction project to an identified contractor. With this, the management anticipates the construction activities to commence by second quarter of 2024.

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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 ⁽¹⁾
(i)	Purchase of new machinery	27,000	(5,681)	21,319	Within 24 months
(ii)	Set up of cleanroom	12,575	-	12,575	Within 24 months
(iii)	Estimated listing expenses	988	(988)	-	Within 1 month
		40,563	(6,669)	33,894	

Note:

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

B8. Group borrowings and debts securities

As at 31 March 2024	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Bankers' acceptance	-	4,959	4,959
Hire purchase	1,474	784	2,258
Revolving credit	-	1,000	1,000
Term loans	2,504	15,833	18,337
Total	3,978	22,576	26,554

B9. Material Litigation

There was no material litigation against the Group as at 31 March 2024.

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 31.03.2024	Preceding Year Corresponding Quarter 31.03.2023	Current Year- To-Date 31.03.2024	Preceding Year Corresponding Year-to-Date 31.03.2023
Profit attributable to Owners of the Company (RM'000)	(1,323)	1,719	(1,323)	1,719
Weighted average number of ordinary shares ('000)	493,621	429,236	493,621	429,236
EPS (sen)	(0.27)	0.40	(0.27)	0.40

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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**

(Loss)/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
	31.03.2024	Quarter	31.03.2024	Year-to-Date
	RM'000	31.03.2023	31.03.2024	31.03.2023
		RM'000	RM'000	RM'000
After charging/ (crediting):-				
Depreciation of property, plant and equipment	1,807	1,911	1,807	1,911
Depreciation on right-of-use asset	346	346	346	346
Interest expense	282	199	282	199
(Gain)/Loss on foreign exchange				
- Realised	(58)	1,258	(58)	1,258
- Unrealised	(60)	(1,521)	(60)	(1,521)
Short-term leases and lease of low value assets	157	150	157	150
Deferred income released	(84)	(84)	(84)	(84)
Interest income	(309)	(125)	(309)	(125)

BY ORDER OF THE BOARD
CORAZA INTEGRATED TECHNOLOGY BERHAD
16 MAY 2024