



CORAZA INTEGRATED TECHNOLOGY BERHAD

Registration No.: 202001039065 (1395386-M)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30 SEPTEMBER 2024

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2024 RM'000	Preceding Year Corresponding Quarter 30.09.2023 RM'000	Current Year-To- Date 30.09.2024 RM'000	Preceding Year Corresponding Year-To-Date 30.09.2023 RM'000
Revenue	31,835	15,683	73,355	64,934
Cost of sales	(23,730)	(14,739)	(59,825)	(54,280)
Gross profit ("GP")	8,105	944	13,530	10,654
Other income	660	971	1,920	4,045
Administrative expenses	(6,380)	(4,080)	(11,872)	(11,105)
Selling and distribution expenses	(1,869)	(1,260)	(4,674)	(3,287)
Operating profit/(loss)	516	(3,425)	(1,096)	307
Finance costs	(345)	(141)	(917)	(514)
Profit/(Loss) before tax("PBT")/("LBT")	171	(3,566)	(2,013)	(207)
Taxation	B5 (70)	1,768	397	1,094
Net profit/(loss)	101	(1,798)	(1,616)	887
Net profit/(loss)/ Total comprehensive income/(expense) for the period attributable to:				
Owners of the Company	101	(1,798)	(1,616)	887
Earnings/(Loss) per share to owners of the Company: ("EPS")/("LPS") (sen)				
Basic ⁽²⁾	B11 0.02	(0.41)	(0.34)	0.20
Diluted ⁽³⁾	0.02	(0.41)	(0.34)	0.20

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 after the allotment of 1st tranche of private placement of 64,385,400 new ordinary shares to independent investors identified on 6 September 2023.
- (3) Diluted EPS is calculated based on the Company's ordinary shares share outstanding during the financial period under review adjusted for the effects of dilutive potential ordinary shares.

CORAZA INTEGRATED TECHNOLOGY BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾ AS AT 30 SEPTEMBER 2024

	(Unaudited) As at 30.09.2024 RM'000	(Audited) As at 31.12.2023 RM'000
ASSETS		
Non-current asset		
Property, plant and equipment	68,758	62,347
Right-of-use asset	1,478	1,911
Deferred tax assets	151	-
Total non-current asset	70,387	64,258
Current assets		
Inventories	21,762	25,858
Trade receivables	26,695	13,443
Other receivables, deposits and prepayments	3,721	3,884
Derivative financial assets	46	-
Tax recoverable	2,272	1,963
Cash and cash equivalents	49,513	53,676
Total current assets	104,009	98,824
TOTAL ASSETS	174,396	163,082
EQUITY AND LIABILITIES		
Share capital	101,025	101,025
Merge reserve	(26,753)	(26,753)
Share grant reserve	271	-
Retained profits	50,030	51,646
TOTAL EQUITY	124,573	125,918
Non-current liabilities		
Deferred income	198	450
Deferred tax liabilities	-	1,876
Borrowings	18,512	4,343
Lease liability	160	772
Total non-current liabilities	18,870	7,441
Current liabilities		
Deferred income	336	336
Trade payables	6,758	3,604
Other payables and accruals	9,234	3,279
Refund liabilities	379	105
Borrowings	12,880	21,208
Lease liability	1,366	1,191
Total current liabilities	30,953	29,723
TOTAL LIABILITIES	49,823	37,164
TOTAL EQUITY AND LIABILITIES	174,396	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 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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	Attributable to Owners of the Company				Distributable	Total Equity RM'000
	Non-Distributable		Share Grant Reserve RM'000	ESOS Reserve RM'000		
	Share Capital RM'000	Merger Reserves RM'000				
<u>9 months ended 30 September 2024</u>						
At 1 January 2024 (Audited)	101,025	(26,753)	-	-	51,646	125,918
Total comprehensive income/(expenses) for the year	-	-	256	15	(1,616)	(1,345)
At 30 September 2024 (Unaudited)	101,025	(26,753)	256	15	50,030	124,573

	Attributable to Owners of the Company				Distributable	Total Equity RM'000
	Non-Distributable		Share Grant Reserve RM'000	ESOS Reserve RM'000		
	Share Capital RM'000	Merger Reserves RM'000				
<u>9 months ended 30 September 2023</u>						
At 1 January 2023 (Audited)	61,403	(26,753)	-	-	54,316	88,966
Issuance of shares	40,563	-	-	-	-	40,563
Issuance of shares	(941)	-	-	-	-	(941)
Total Comprehensive Income	-	-	-	-	887	887
At 30 September 2023 (Unaudited)	101,025	(26,753)	-	-	55,203	129,475

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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	Current Year-To-Date 30.09.2024 RM'000	Preceding Year Corresponding Year-To-Date 30.09.2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(2,013)	(207)
Adjustments for:		
Depreciation of property, plant and equipment	5,526	5,409
Depreciation of right of use asset	1,053	1,038
Deferred income released	(252)	(252)
Employee share Option Scheme (ESOS)	15	-
Fair value gain on derivatives	(46)	-
Gain on disposal of property, plant and equipment	-	(44)
Interest expense	917	514
Listing expenses	-	28
Share grant expense	256	-
Interest income	(1,477)	(383)
Unrealised loss/(gain) on foreign exchange	1,828	(1,463)
Operating profit before working capital changes	5,807	4,640
Net changes in:		
Inventories	4,096	4,749
Receivables	(14,818)	15,870
Payables	9,012	(17,084)
Refund liabilities	274	(240)
Cash generated from operations	4,371	7,935
Income tax paid	(1,940)	(1,756)
Interest paid	(858)	(428)
Net cash from operating activities	1,573	5,751
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,477	383
Proceeds from disposal of property, plant and equipment	-	65
Purchase of property, plant and equipment	(11,937)	(10,875)
Net cash used in investing activities	(10,460)	(10,427)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	40,563
Payment of listing expenses	-	(1,060)
Payment of lease liability	(1,116)	(1,098)
Decrease in prepayment of listing expenses	-	(91)
Net drawdown/(repayment) of bankers' acceptance	229	(3,662)
Net repayment of hire purchase	(642)	(3,811)
Net (repayment)/drawdown of revolving credit	(9,500)	1,800
Net drawdown of term loans	15,754	1,765
Changes in fixed deposits pledged to a licensed bank	2,100	(43,368)
Net cash from financing activities	6,825	(8,962)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,062)	(13,638)
CASH AND CASH EQUIVALENTS AT BEGINNING	10,050	23,080
CASH AND CASH EQUIVALENTS AT END	7,988	9,442
Represented by:		
Fixed deposits with a licensed bank	44,325	51,203
Cash and bank balances	5,188	5,564
	49,513	56,767
Less: Fixed deposits pledged to a licensed bank	(41,525)	(47,325)
	7,988	9,442

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 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosure - Amendments to the Classification and Measurement of Financial Instruments	1-Jan-2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1-Jan-2026
MFRS 18 Presentation and Disclosure in Financial Statements	1-Jan-2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1-Jan-2027
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 Group is currently assessing the impact of initial application of the above standards and plans to adopt the new standard on the required effective date.

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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 an 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 had a material effect in the financial quarter under review.

A7. Debt and equity securities

There was 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 are as follows:

(a) Contribution by business units

	Current Year Quarter 30.09.2024 RM'000	Preceding Year Corresponding Quarter 30.09.2023 RM'000	Current Year-To-Date 30.09.2024 RM'000	Preceding Year Corresponding Year-To-Date 30.09.2023 RM'000
Revenue:-				
Fabrication of sheet metal	28,240	14,843	65,922	60,081
Precision Machining	3,595	840	7,433	4,853
	31,835	15,683	73,355	64,934

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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 30.09.2024 RM'000	Preceding Year Corresponding Quarter 30.09.2023 RM'000	Current Year- To-Date 30.09.2024 RM'000	Preceding Year Corresponding Year-To-Date 30.09.2023 RM'000
Revenue:-				
Malaysia	23,443	8,218	49,075	42,931
Singapore	7,046	6,586	19,492	16,778
United States of America	1,101	878	3,931	4,685
China	(1)	2	119	30
European countries	6	46	60	137
Other Asian countries	240	(47)	678	373
	31,835	15,683	73,355	64,934

A10. Material events during the reporting period

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 tabled and 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 vest on 2 January 2025.

On 6 August 2024, the Company awarded 859,400 Share Grant Plan ("SGP") shares and 832,300 employee share option scheme ("**ESOS Option**") shares to eligible persons at the market price of RM0.375. Both schemes will vest over a period of two years, subject to the vesting conditions being fully and duly satisfied from the award date. The ESOS options shall be exercisable over one year from the ESOS Vesting Date.

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 30.09.2024 RM'000	Preceding Year Corresponding Quarter 30.09.2023 RM'000	Current Year To Date 30.09.2024 RM'000	Preceding Year Corresponding Period 30.09.2023 RM'000
Sales of fabricated parts	UC	39	239	667	646
Provision of finishing services	STS	466	369	1,446	1,581
Rental expenses	KPSB	-	-	-	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 30.09.2024 RM'000	As at 31.12.2023 RM'000
Contracted but not provided for:		
- Property, Plant and Equipment	29,086	9,250
Approved but not contracted for:		
- Property, Plant and Equipment	5,483	23,015
	<u>34,569</u>	<u>32,265</u>

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of performance

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

	Current Year Quarter 30.09.2024 RM'000	Preceding Year Corresponding Quarter 30.09.2023 RM'000	Changes %	Current Year-To- Date 30.09.2024 RM'000	Preceding Year Corresponding Year-To-Date 30.09.2023 RM'000	Changes %
Revenue	31,835	15,683	102.99	73,355	64,934	12.97
GP	8,105	944	758.58	13,530	10,654	26.99
PBT/(LBT)	171	(3,566)	104.80	(2,013)	(207)	872.46

Comparison with the corresponding quarter in the previous financial year

During the quarter under review, the Group reported revenue of RM31.84 million, marking a 103.0% increase from RM15.68 million recorded in the corresponding quarter of the previous financial year. This growth was mainly driven by some segments in semiconductor industry's recovery and a modest boost from new product introductions ("NPI") that are beginning to contribute positively to revenue.

Gross profit has normalized to levels seen during the IPO year (financial year ended 31 December 2022), driven by the recovery in revenue. However, the Group recorded only a modest profit before tax of RM171 thousand. The low margin was mainly due to a foreign exchange loss of RM3.43 million, resulting from the strengthening of the Ringgit Malaysia against the United States Dollar since August 2024.

Comparison with the preceding year corresponding year-to-date

For the financial year ended 30 September 2024, the Group registered revenue of RM73.36 million, representing a 12.97% increase from RM64.93 million. This growth was mainly driven by some segments in semiconductor industry's recovery and a modest boost from NPI.

However, due to unfavorable exchange rates, the Group incurred a foreign currency loss of RM3.43 million compared to an exchange gain of RM1.39 million in the previous financial year-to-date. As a result, the Group reported a loss before tax of RM2.01 million, compared to RM207 thousand in the prior year.

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

B2. Comparison with immediate preceding quarter

	Current Year Quarter 30.09.2024 RM'000	Immediate Preceding Quarter 30.06.2024 RM'000	Changes %
Revenue	31,835	21,766	46.26
GP	8,105	3,472	133.44
PBT/(LBT)	171	(493)	134.69

The Group's revenue rose by 46.26% to RM31.84 million in the current quarter, up from RM21.77 million in the previous quarter, primarily due to the recovery of the some segments in semiconductor industry. In line with this revenue growth, the Group reported a profit before tax of RM171 thousand, rebounding from a loss of RM493 thousand in the prior quarter.

B3. Prospects of the Group

On 5 November 2024, the Semiconductor Industry Association (SIA) reported global semiconductor sales reaching \$166 billion in Q3 2024, a 23.2% increase compared to the third quarter of 2023 and a 10.7% rise over Q2 2024. According to SIA President and CEO John Neuffer, the global semiconductor market maintained robust growth during Q3 2024, marking the largest quarter-to-quarter sales increase since 2016.

The Prime Minister of Malaysia outlined the National Semiconductor Strategy (NSS) to guide the industry up the value chain. The NSS sets five key targets to transition from outsourced assembly to high-end activities such as IC design and advanced manufacturing and will be implemented in three phases over the next 10 years. A substantial amount of funding will be channelled to achieve this objective. The Group is positioning itself to benefit from the robust semiconductor industry.

Semiconductor chips are a critical success factor in supporting megatrends such as digitalization. Key growth sectors, including cloud computing, high-speed network connectivity, artificial intelligence, and electric vehicles, are expected to drive long-term demand in this digital era. As technological advancements accelerate, demand is rising for faster and more reliable communications and data processing solutions. At the forefront of this revolution are 6G communications and AI, with the Company poised to play a pivotal role in the supply chain ecosystem. The Group's current business is well-positioned to capitalize on growth in the 6G communications and AI markets, with efforts underway to secure new projects in these industries.

The Company's order volume remains steady compared to the preceding quarter, with approximately 50% of orders coming from the semiconductor sector and 32% from instrumentation. High New Product Introductions (NPI) activities in the past few quarters have started contributing positively to total orders and revenue. Consistent financial improvements over the past three quarters indicate that the Group recovery is on track.

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

B3. Prospects of the Group (Cont'd)

The Company is committed to driving revenue growth through robust business strategies, deepening its engagement in the semiconductor sector while diversifying into aerospace, instrumentation, medical, and life sciences to mitigate sector-specific risks. This strategy is delivering results, reflected in increased volumes of NPI, including several secured projects from customer project transfers.

In terms of capacity and capability expansion, the newly acquired plant (P5 - Lot No. 2778), located across from the existing Nibong Tebal plant (P1 - Lot 2777 & Lot 2783), is scheduled to commence operations in Q4 2024. Once operational, this facility will provide a comprehensive one-stop solution for the fabrication of complex frames and structures. Additionally, orders for frames and structures have shown encouraging growth, aligning with the Group's strategic objective to expand its capabilities beyond its core sheet metal operations.

The Group has recently begun construction of a new factory (P3 - Lot 2773 & Lot 2776) adjacent to the existing facility in Nibong Tebal. Construction of the facility is expected to take 12 months, with a target completion date set for July 2025, barring any unforeseen circumstances. The Group will make a substantial investment in capital expenditure for equipment to be installed in this plant over the coming years. The facility, featuring 83,000 sq. ft. of production floor space, is expected to become operational in the fourth quarter of 2025. As of September 2024, the construction progress was recorded at 19.74%.

These enhanced capacities, capabilities, and broader market segment initiatives are expected to drive Coraza's growth, positioning the Group to capitalize on the upcoming semiconductor upcycle. The Group anticipates stronger performance in the coming quarters, supported by increased sales orders and a recovering semiconductor industry. The Group continues to proactively refine its manufacturing processes to improve efficiency and effectiveness, implement cost-control measures, strengthen its quality systems, and take precautionary steps to mitigate the financial impacts of currency instability.

As part of its transformative journey, management expresses confidence in the Group's ability to deliver better results in the subsequent financial year. Barring any unforeseen circumstances, 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.

B4. Variance of actual profits from forecast profits

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

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

B5. Taxation

Taxation comprises the following: -

	Current Year Quarter 30.09.2024 RM'000	Preceding Year Corresponding Quarter 30.09.2023 RM'000	Current Year- To-Date 30.09.2024 RM'000	Preceding Year Corresponding Year-To-Date 30.09.2023 RM'000
Income tax expense				
-Current Period	127	(129)	344	51
- Prior year	1,287	1,120	1,287	1,120
Deferred tax				
-Current Period	(18)	(1,510)	(663)	(1,016)
-Prior year	(1,326)	(1,249)	(1,365)	(1,249)
	70	(1,768)	(397)	(1,094)
Effective tax rate (%)	40.94	49.58	19.72	528.50
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 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.

On 6 August 2024, the Company awarded 859,400 Share Grant Plan (“SGP”) shares and 832,300 employee share option scheme (“ESOS Option”) shares to eligible persons at the market price of RM0.375. Both schemes will vest over a period of two years, subject to the vesting conditions being fully and duly satisfied from the award date. The ESOS options shall be exercisable over one year from the ESOS Vesting Date.

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	-	(15,500)	-	Within 36 months
(ii)	Construction of factory ⁽²⁾	6,412	-	(364)	6,048	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	-	(26,934)	6,048	

Notes:

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

⁽²⁾ Construction has begun in end of July 2024 with contractors mobilizing and started piling activities, targeting a 12-month completion by July 2025 barring any unforeseen circumstances. As of September 2024, the construction progress was recorded at 19.74%. The plant with an 83,000 sq ft production floor space, is expected to become operational in the fourth quarter of 2025.

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 Private Placement ⁽¹⁾
(i)	Purchase of new machinery	27,000	(7,034)	19,966	Within 24 months
(ii)	Set up of cleanroom	12,622	-	12,622	Within 24 months
(iii)	Estimated listing expenses	941	(941)	-	Within 1 month
		40,563	(7,975)	32,588	

Note:

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

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

B8. Group borrowings and debts securities

As at 30 September 2024	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Bankers' acceptance	-	4,397	4,397
Hire purchase	1,130	699	1,829
Revolving credit	-	6,500	6,500
Term loans	17,382	1,284	18,666
Total	18,512	12,880	31,392

B9. Material Litigation

There was no material litigation against the Group as at 30 September 2024.

B10. Dividends

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

B11. Earnings Per Share

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

a) Basic EPS

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.09.2024	Preceding Year Corresponding Quarter 30.09.2023	Current Year- To-Date 30.09.2024	Preceding Year Corresponding Year-to-Date 30.09.2023
Profit/(Loss) attributable to Owners of the Company (RM'000)	101	(1,798)	(1,616)	887
Weighted average number of ordinary shares ('000)	493,621	436,390	493,621	436,390
EPS (sen)	0.02	(0.41)	(0.34)	0.20

b) Diluted EPS

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.09.2024	Preceding Year Corresponding Quarter 30.09.2023	Current Year- To-Date 30.09.2024	Preceding Year Corresponding Year-to-Date 30.09.2023
Profit/(Loss) attributable to Owners of the Company (RM'000)	101	(1,798)	(1,616)	887
Weighted average number of ordinary shares ('000)	493,621	436,390	493,621	436,390
Effect of dilution due to share grant scheme ('000)	2,308	-	2,308	-
Adjusted weighted average number of ordinary shares applicable to diluted EPS ('000)	495,929	436,390	495,929	436,390
EPS (sen)	0.02	(0.41)	(0.34)	0.20

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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/(Loss) for the period was derived after taking into consideration of the following:-

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.09.2024 RM'000	Preceding Year Corresponding Quarter 30.09.2023 RM'000	Current Year- To-Date 30.09.2024 RM'000	Preceding Year Corresponding Year-to-Date 30.09.2023 RM'000
After charging/ (crediting):-				
Depreciation of property, plant and equipment	1,938	1,836	5,526	5,409
Depreciation on right-of-use asset	353	346	1,053	1,038
Employee share Option Scheme (ESOS)	15	-	15	-
Fair value gain on derivatives	(46)	-	(46)	-
Interest expense	345	141	917	514
Listing expenses	-	-	-	28
Loss/(Gain) on foreign exchange				
- Realised	1,644	(719)	1,577	78
- Unrealised	1,785	722	1,828	(1,463)
Short-term leases and lease of low value assets	154	155	472	497
Share grant expense	146	-	256	-
Deferred income released	(84)	(84)	(252)	(252)
Gain on disposal of property, plant and equipment	-	(5)	-	(44)
Interest income	(528)	(162)	(1,477)	(383)

BY ORDER OF THE BOARD
CORAZA INTEGRATED TECHNOLOGY BERHAD
26 NOVEMBER 2024