



**CORAZA INTEGRATED TECHNOLOGY BERHAD**

Registration No.: 202001039065 (1395386-M)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

# CORAZA INTEGRATED TECHNOLOGY BERHAD

Registration No.: 202001039065 (1395386-M)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)(2)</sup>

FOR THE PERIOD ENDED 31 DECEMBER 2021

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2021 RM'000	Preceding Year Corresponding Quarter 31.12.2020 RM'000	Current Year-To- Date 31.12.2021 RM'000	Preceding Year Corresponding Year-To-Date 31.12.2020 RM'000
Revenue	34,806	N/A	106,133	N/A
Cost of sales	<u>(26,002)</u>	<u>N/A</u>	<u>(75,786)</u>	<u>N/A</u>
<b>Gross profit</b>	8,804	N/A	30,347	N/A
Other income	201	N/A	1,427	N/A
Administrative expenses	(3,314)	N/A	(10,849)	N/A
Selling and distribution expenses	<u>(1,208)</u>	<u>N/A</u>	<u>(4,073)</u>	<u>N/A</u>
<b>Operating Profit</b>	4,483	N/A	16,852	N/A
Finance costs	<u>(200)</u>	<u>N/A</u>	<u>(791)</u>	<u>N/A</u>
<b>Profit before taxation</b>	4,283	N/A	16,061	N/A
Taxation	B5 <u>(371)</u>	<u>N/A</u>	<u>(3,213)</u>	<u>N/A</u>
<b>Net profit/ Total comprehensive income for the period</b>	<u>3,912</u>	<u>-</u>	<u>12,848</u>	<u>-</u>
<b>Net profit/ Total comprehensive income for the period attributable to:</b>				
Owners of the Company	<u>3,912</u>	<u>-</u>	<u>12,848</u>	<u>-</u>
Basic EPS (sen) <sup>(3)</sup>	B11 <u>1.26</u>	<u>N/A</u>	<u>4.14</u>	<u>N/A</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 Accountants' Report as disclosed in the Prospectus of the Company dated 22<sup>nd</sup> December 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) The interim financial report announced in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). There are no comparative figures for the preceding corresponding quarter and year-to-date as the Company was listed on the ACE Market of Bursa Securities on 20<sup>th</sup> January 2022 and as such no interim financial report was prepared for the comparative financial period concerned.
- (3) Basic earnings per share ("EPS") is calculated based on the Company's share capital of 310,540,001 ordinary shares after issuance of shares to the acquisition of Coraza Systems Malaysia Sdn. Bhd. ("CSM") (refer to Note A10).

N/A Not applicable.

# CORAZA INTEGRATED TECHNOLOGY BERHAD

Registration No.: 202001039065 (1395386-M)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION <sup>(1)</sup> AS AT 31 DECEMBER 2021

	(Unaudited) As at 31.12.2021 RM'000	(Audited) As at 31.12.2020 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	28,953	22,933
Right-of-use asset	-	411
<b>Total non-current assets</b>	<b>28,953</b>	<b>23,344</b>
<b>Current assets</b>		
Inventories	24,970	10,815
Trade receivables	34,957	18,421
Other receivables, deposits and prepayments	3,236	1,134
Tax Recoverable	965	186
Cash and cash equivalents	4,534	5,554
<b>Total current assets</b>	<b>68,662</b>	<b>36,110</b>
<b>TOTAL ASSETS</b>	<b>97,615</b>	<b>59,454</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	29,253	*(3)
Invested equity	-	2,500
Merge Reserve	(26,753)	-
Retained profits	39,602	26,755
<b>TOTAL EQUITY</b>	<b>42,102</b>	<b>29,255</b>
<b>Non-current liabilities</b>		
Borrowings	9,154	8,436
Deferred income	1,458	1,794
Lease liability	-	265
Deferred tax liabilities	2,022	928
<b>Total non-current liabilities</b>	<b>12,634</b>	<b>11,423</b>
<b>Current liabilities</b>		
Trade payables	13,948	5,599
Other payables and accruals	14,105	6,098
Refund liabilities	303	195
Borrowings	14,520	6,732
Amount due to a director	3	3
Lease liability	-	149
<b>Total current liabilities</b>	<b>42,879</b>	<b>18,776</b>
<b>TOTAL LIABILITIES</b>	<b>55,513</b>	<b>30,199</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>97,615</b>	<b>59,454</b>
Net assets per ordinary share attributable to owners of the Company (RM) <sup>(2)</sup>	<b>0.14</b>	<b>0.09</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 Accountants' Report as disclosed in the Prospectus of the Company dated 22<sup>nd</sup> December 2021 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 310,540,001 ordinary shares after issuance of shares to the acquisition of CSM (refer to Note A10).

(3) \*Denotes less than RM1,000.

# CORAZA INTEGRATED TECHNOLOGY BERHAD

Registration No.: 202001039065 (1395386-M)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY <sup>(1)(2)</sup> FOR THE PERIOD ENDED 31 DECEMBER 2021

	-----Attributable to Owners of the Company-----				
	-----Non-Distributable-----			Distributable	
	Share Capital RM'000	Merger Reserves RM'000	Invested Equity RM'000	Retained Earnings RM'000	Total Equity RM'000
<b>12 months ended 31 December 2021</b>					
At 1 January 2021 (Audited)	*(3)	-	2,500	26,755	29,255
Acquisition of subsidiaries	29,253	(26,753)	(2,500)	-	-
Total Comprehensive Income	-	-	-	12,847	12,847
At 31 December 2021 (Unaudited)	<b>29,253</b>	<b>(26,753)</b>	-	<b>39,602</b>	<b>42,102</b>

### Notes:

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 22<sup>nd</sup> December 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding quarter are available as this is the Company's second interim financial report on its consolidated results for the fourth quarter ended 31 December 2021 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.
- (3) \*Denotes less than RM1,000.

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# CORAZA INTEGRATED TECHNOLOGY BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS<sup>(1)(2)</sup> FOR THE PERIOD ENDED 31 DECEMBER 2021

	Current Year-To-Date 31.12.2021 RM'000	Preceding Year Corresponding Year-To-Date 31.12.2020 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>16,061</b>	N/A
<b>Adjustments for:</b>		
Depreciation	3,426	N/A
Deferred income released	(336)	N/A
Gain on disposal of property, plant and equipment	(67)	N/A
Gain on derecognition of right of use asset	(7)	N/A
Property, plant and equipment written off	102	N/A
Interest expense	791	N/A
Interest income	(33)	N/A
Unrealised gain on foreign exchange	(800)	N/A
<b>Operating profit before working capital changes</b>	<b>19,137</b>	N/A
<b>Changes in working capital:</b>		
Increase in inventories	(14,156)	N/A
Increase in receivables	(16,564)	N/A
Increase in payables	16,364	N/A
Increase in contract liabilities	108	N/A
<b>Cash generated from operations</b>	<b>4,889</b>	N/A
Income tax paid	(2,898)	N/A
Interest paid	(779)	N/A
<b>Net cash from operating activities</b>	<b>1,212</b>	N/A
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	33	N/A
Proceeds from disposal of property, plant and equipment	123	N/A
Purchase of property, plant and equipment	(9,501)	N/A
<b>Net cash used in investing activities</b>	<b>(9,345)</b>	N/A
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown of bankers acceptance	4,886	N/A
Net drawdown of hire purchase loans	2,755	N/A
Net repayment of term loans	(1,410)	N/A
Payment of lease liability	(110)	N/A
Prepayment of listing expenses	(1,283)	N/A
Changes in fixed deposits pledge to a licensed bank	(2,168)	N/A
<b>Net cash from financing activities</b>	<b>2,670</b>	N/A
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,463)</b>	N/A
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<b>4,531</b>	N/A
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b>(932)</b>	N/A
<b>Represented by:</b>		
Cash and cash equivalents	4,534	N/A
Bank overdraft	(2,275)	N/A
	2,259	N/A
Less: Fixed deposits pledged to a licensed bank	(3,191)	N/A
	<b>(932)</b>	N/A

### Notes:

(1) The above Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 22<sup>nd</sup> December 2021 and the accompanying explanatory notes attached to this interim financial report.

(2) No comparative figures for the preceding quarter are available as this is the Company's second interim financial report on its consolidated results for the fourth quarter ended 31 December 2021 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

N/A Not applicable

# 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 Listing Requirements of Bursa Securities.

This is the Company’s second interim financial report on the unaudited condensed consolidated financial results for the fourth quarter ended 31 December 2021 announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial statements should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 22<sup>nd</sup> December 2021. 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 2020.

### 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 Accountants’ Report as disclosed in the Prospectus dated 22<sup>nd</sup> December 2021 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 period beginning on or after 1 April 2021**

*Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concessions beyond 30 June 2021*

#### **Effective for annual period beginning on or after 1 January 2022**

*Annual Improvements to MFRS Standards 2018 - 2020*

*Amendments to MFRS 3 Business Combination: Reference to the Conceptual Framework*

*Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment - Proceeds before Intended Use*

*Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract*

#### **Effective for annual period beginning on or after 1 January 2023**

*MFRS 17 Insurance Contracts*

*Amendments to MFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9*

*Amendments to MFRS 17 Insurance Contracts*

*Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current*

*Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies*

*Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*

*Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

#### **Effective date yet to be confirmed**

*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*

## **CORAZA INTEGRATED TECHNOLOGY BERHAD**

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

#### **A2. Significant Accounting Policies (Cont'd)**

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**

The preceding year's annual audited financial statements were not available as the Company was incorporated on 30<sup>th</sup> November 2020 and its first annual audited financial statements will be for the period ended 31 December 2021.

The auditors' report to the member of CSM on the financial statements for the financial year ended 31 December 2020 was not subject to any qualification.

#### **A4. Seasonal or cyclical factors**

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

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

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the interim financial period ended 31 December 2021.

#### **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 19<sup>th</sup> November 2021, the Company had issued a total of 310,540,000 new ordinary shares at an issue price of RM0.0942 per share pursuant to acquisition of the entire issued shares of CSM in conjunction with the IPO.

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 31 December 2021.

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

### A9. Segmental Information

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

(a) Contribution by business units

	<b>Current Year Quarter 31.12.2021 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.12.2020<sup>(1)</sup> RM'000</b>	<b>Current Year-To-Date 31.12.2021 RM'000</b>	<b>Preceding Year Corresponding Year-To-Date 31.12.2020<sup>(1)</sup> RM'000</b>
<b>Revenue:-</b>				
Fabrication of sheet metal	28,556	N/A	89,914	N/A
Precision Machining	6,250	N/A	16,219	N/A
	<b>34,806</b>	<b>N/A</b>	<b>106,133</b>	<b>N/A</b>

(b) Contribution by geographical factors

	<b>Current Year Quarter 31.12.2021 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.12.2020<sup>(1)</sup> RM'000</b>	<b>Current Year-To-Date 31.12.2021 RM'000</b>	<b>Preceding Year Corresponding Year-To-Date 31.12.2020<sup>(1)</sup> RM'000</b>
<b>Revenue:-</b>				
Malaysia	23,632	N/A	69,974	N/A
Singapore	7,014	N/A	25,739	N/A
United States of America	3,434	N/A	8,665	N/A
China	6	N/A	27	N/A
European countries	647	N/A	1,396	N/A
Other Asian countries	73	N/A	332	N/A
	<b>34,806</b>	<b>N/A</b>	<b>106,133</b>	<b>N/A</b>

**Notes:**

- <sup>(1)</sup> No comparative figures for the preceding quarter are available as this is the Company's second interim financial report on its consolidated results for the fourth quarter ended 31 December 2021 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

### A10. Material events during the reporting period

Pursuant to the Share Sale Agreement dated 8<sup>th</sup> June 2021, the acquisition of the entire issued shares of CSM by the Company was completed on 19<sup>th</sup> November 2021. The Company allotted 310,540,000 new shares at an issue price of RM0.0942 per share to satisfy the purchase consideration of the acquisition.

## **CORAZA INTEGRATED TECHNOLOGY BERHAD**

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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**

In conjunction with the Company's listing on the ACE Market of Bursa Securities which was held on 20<sup>th</sup> January 2022, the Company issued its Prospectus for its IPO entailing the following:

Public issue of 117,791,000 new shares ("Issue Shares") at an issue price of RM0.28 per share were allocated in the following manner:

- 21,416,550 Issue Shares available for application by the Malaysian Public;
- 21,416,550 Issue Shares available for application by our eligible Directors, employees and persons who contributed to the success of the Company; and
- 74,957,900 Issue Shares by way of private placement to selected investors.

On 20<sup>th</sup> January 2022, the Company has been admitted to the Official List of Bursa Securities and the Company's entire enlarged issue share capital of 428,331,001 shares was listed and quoted on the ACE Market of Bursa Securities.

Save 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.

#### **A12. Changes in composition of the Group**

On 19<sup>th</sup> November 2021, the Company had completed the acquisition of the entire issued shares in CSM at a purchase consideration of RM29,252,868 which fully satisfied by the issuance of 310,540,000 new shares at an issued price of RM0.0942 per share.

Save as disclosed above, 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 31 December 2021.

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

### 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 31.12.2021 RM'000	Preceding Year Corresponding Quarter 31.12.2020 <sup>(1)</sup> RM'000	Current Year To Date 31.12.2021 RM'000	Preceding Year Corresponding Period 31.12.2020 <sup>(1)</sup> RM'000
Sales of fabricated parts	UC	365	N/A	890	N/A
Provision of finishing services	STS	933	N/A	2,541	N/A
Sales of machinery	STS	-	N/A	32	N/A
Rental expenses	KPSB	6	N/A	24	N/A

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.

#### Notes:

- <sup>(1)</sup> No comparative figures for the preceding quarter are available as this is the Company's second interim financial report on its consolidated results for the fourth quarter ended 31 December 2021 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

### A15. Capital Commitments

	(Unaudited) As at 31.12.2021 RM'000	(Audited) As at 31.12.2020 RM'000
Contracted but not provided for:		459
- Property, Plant and Equipment	3,308	
Approved but not contracted for:		-
- Property, Plant and Equipment	16,459	
	<u>19,767</u>	<u>459</u>

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## CORAZA INTEGRATED TECHNOLOGY BERHAD

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

#### B1. Review of performance

	<b>Current Year Quarter 31.12.2021 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.12.2020 RM'000</b>	<b>Current Year-To-Date 31.12.2021 RM'000</b>	<b>Preceding Year Corresponding Year-To-Date 31.12.2020 RM'000</b>
Revenue	34,806	N/A	106,133	N/A
Gross profit	8,804	N/A	30,347	N/A
Profit before tax	4,283	N/A	16,061	N/A

In the current quarter ended 31 December 2021 and financial year-to-date, the Group reported revenue of RM34.8 million and RM106.1 million and it is mainly attributed from the sheet metal fabrication segment which accounted for RM28.6 million and RM89.9 million, which takes up 82% and 85% of the total revenue respectively. With the current development of Semiconductor industry, the Group has registered a higher sales of Semiconductor industry related products, which constituted about 61% of the total revenue, followed by Instrumentation related products at 17% in the current quarter.

With gross profit of RM8.8 million in the current quarter and RM30.3 million for financial year-to-date, the Group's gross profit for both periods are mainly attributed from the sheet metal fabrication segment which contributed RM7.4 million and RM26.6 million or 84% and 88% of the gross profit respectively.

The Group recognised profit before tax of RM4.3 million for current quarter and RM16.1 million for financial year-to-date after deducting expenses which are mainly attributed to distribution expenses and administrative expenses amounting to RM4.5 million for the current quarter and RM14.9 million for financial year-to-date. The distribution expenses and administrative expenses mainly consists of staff costs, depreciation, maintenance fees for building and office equipment, insurance, professional fees, outward transport and utilities.

There are no comparative figures for the corresponding preceding quarter's results as this is the second interim financial report being announced by the Company in compliance with the Listing Requirements of the Bursa Securities.

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

	<b>Current Year Quarter 31.12.2021 RM'000</b>	<b>Current Year Preceding Quarter 30.09.2021 RM'000</b>
Revenue	34,806	28,132
Gross profit	8,804	8,466
Profit before tax	4,283	4,651

The Group's revenue for the quarter under review has increased by 23.7% to RM34.8 million comparing to RM28.1 million in preceding quarter. Growth recorded for majority of the industries involved, but it was mainly driven by the increasing demand in Semiconductor related products, which is our core industry contribution from RM16.4 million to RM21.3 million coupled with positive results from Telecommunications and Electrical and Electronics industry from RM 1.2 million to RM2.6 million.

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

#### **B2. Comparison with Immediate Preceding Quarter's Results (Cont'd)**

Gross profit margin decreased slightly from 30% from preceding quarter to 25% in current quarter due to a few factors. One of them was due to the additional bonus provision made to commend the Company's staff for their contribution in FY2021. There was also an increase in sales rebate resulted from the increase in sales to our key customers if comparing across both quarters. In addition, maintenance were also made during year end for factory buildings and machineries to ensure continuous efficiency on the manufacturing processes.

In the current quarter, a profit before tax of RM4.3 million recorded, representing a decrease of 4% PBT margin from the preceding quarter. They were contributed by sales rebates, maintenances for office equipment as well as additional bonus provision made for the staff that are captured under sales, general and administrative expenses.

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

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

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

The Department of Statistics Malaysia has shown that Malaysia's manufacturing sales in December 2021 has grown by 15.5% compared to December 2020. With such strong growth in this industry even with disruptions caused by the pandemic, Coraza remains positive given our involvement in the manufacturing for fabricated parts in various sectors as shown in the increased number of orders and enquiries that were received.

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

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

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## CORAZA INTEGRATED TECHNOLOGY BERHAD

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

#### B5. Taxation

Taxation comprises the following:-

	Current Year Quarter 31.12.2021	Preceding Year Corresponding Quarter 31.12.2020 <sup>(1)</sup>	Current Year- To-Date 31.12.2021	Preceding Year Corresponding Year-To-Date 31.12.2020 <sup>(1)</sup>
Income tax expense				
-Current Period (RM'000)	371	N/A	3,213	N/A
Effective tax rate (%)	8.66	N/A	20.00	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

There was a reversal made being tax overprovision for FY2020 amounted to RM0.4 million, of which if there was no reversal, the effective tax rate would be 18.8% for current quarter and 22.7% for year-to-date. In addition, there were also reinvestment allowance and accelerated capital allowances which the Group is able to claim under qualifying expenditure on assets used for business purposes, which further lower down the tax expenses.

#### Notes:

<sup>(1)</sup> No comparative figures for the preceding quarter are available as this is the Company's second interim financial report on its consolidated results for the fourth quarter ended 31 December 2021 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

#### B6. Status of corporate proposals

On 22<sup>nd</sup> December 2021, the Company issued its prospectus in relation to the Public Issue of 117,791,000 new ordinary shares at an issue price of RM0.28 per share. The Company was successfully listed on the ACE Market of Bursa Malaysia Securities Berhad on 20<sup>th</sup> January 2022.

Save as disclosed above, there were no other corporate proposals announced but not yet implemented as at the date of this interim financial report.

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## CORAZA INTEGRATED TECHNOLOGY BERHAD

Registration No.: 202001039065 (1395386-M)

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

#### B7. Utilisation of Proceeds from IPO

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

	Details of use of proceeds	Proposed utilisation RM'000	Percentage of utilisation %	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	47.0	-	15,500	Within 36 months
(ii)	Construction of Factory	6,412	19.5	-	6,412	Within 36 months
(iii)	Implementation of ERP system	1,200	3.6	-	1,200	Within 12 months
(iv)	Extension of existing building	1,500	4.6	-	1,500	Within 12 months
(v)	Repayment of bank borrowings	4,600	13.9	-	4,600	Within 12 months
(vi)	Estimated listing expenses	3,770	11.4	-	3,770	Within 1 month
		<b>32,982</b>	<b>100.0</b>	<b>-</b>	<b>32,982</b>	

As at the end of the interim financial period, the IPO is pending for completion and hence there is no utilisation of IPO proceeds to be disclosed in this interim financial period.

#### Notes:

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

#### B8. Group borrowings and debts securities

As at 31 December 2021	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
<b>Secured</b>			
Bank overdraft	-	2,275	2,275
Bankers acceptance	-	9,852	9,852
Hire purchase	3,473	1,499	4,972
Term loan	5,681	894	6,575
<b>Total</b>	<b>9,154</b>	<b>14,520</b>	<b>23,674</b>

#### B9. Material Litigation

There was no material litigation against the Group as at 31 December 2021.

#### B10. Dividends

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

## CORAZA INTEGRATED TECHNOLOGY BERHAD

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

#### B11. Earnings Per Share ("EPS")

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

	Individual Quarter		Cumulative Period	
	Current Year	Preceding Year	Current Year-	Preceding Year
	Quarter	Corresponding	To-Date	Corresponding
	31.12.2021	Quarter	31.12.2021	Year-to-Date
		31.12.2020 <sup>(1)</sup>		31.12.2020 <sup>(1)</sup>
Profit attributable to Owners of the Company (RM'000)	3,912	N/A	12,848	N/A
Number of ordinary shares ('000)	310,540	N/A	310,540	N/A
EPS (sen) <sup>(2)</sup>	1.26	N/A	4.14	N/A
Based on enlarged ordinary shares in issue after the Pre-IPO Exercise and IPO:				
Number of ordinary shares ('000)	428,331	N/A	428,331	N/A
EPS (sen) (For illustrative purpose only) <sup>(3)</sup>	0.91	N/A	3.00	N/A

#### Notes:

- (1) No comparative figures for the preceding quarter are available as this is the Company's second interim financial report on its consolidated results for the fourth quarter ended 31 December 2021 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.
- (2) EPS is calculated based on the Company's share capital on 310,540,001 ordinary shares after issuance of shares for the acquisition of CSM.
- (3) EPS is calculated based on the Company's share capital of 428,331,001 ordinary shares that was listed on the ACE Market of Bursa Securities as illustrative purposes only as the Company does not have any convertible securities as at the end of the reporting period.

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**CORAZA INTEGRATED TECHNOLOGY BERHAD**

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

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

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.12.2021 RM'000	Preceding Year Corresponding Quarter 31.12.2020 <sup>(1)</sup> RM'000	Current Year- To-Date 31.12.2021 RM'000	Preceding Year Corresponding Year-to-Date 31.12.2020 <sup>(1)</sup> RM'000
<b>After charging/ (crediting):-</b>				
Depreciation of property, plant and equipment	928	N/A	3,323	N/A
Depreciation on Right-of-use ("ROU") asset	-	N/A	103	N/A
Write off of property, plant and equipment	102	N/A	102	N/A
Interest expense	200	N/A	791	N/A
Gain on foreign exchange				
- Realised	(14)	N/A	(154)	N/A
- Unrealised	(342)	N/A	(800)	N/A
Rental of equipment	6	N/A	24	N/A
Rental of forklift	16	N/A	40	N/A
Rental of hostel	28	N/A	107	N/A
Rental of warehouse	12	N/A	48	N/A
Deferred income released	(84)	N/A	(336)	N/A
Gain on disposal of property, plant and equipment	(21)	N/A	(67)	N/A
Gain on derecognition of ROU asset	-	N/A	(7)	N/A
Interest Income	(5)	N/A	(33)	N/A

**Notes:**

- <sup>(1)</sup> No comparative figures for the preceding quarter are available as this is the Company's second interim financial report on its consolidated results for the fourth quarter ended 31 December 2021 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

**BY ORDER OF THE BOARD  
CORAZA INTEGRATED TECHNOLOGY BERHAD  
23 FEBRUARY 2022**