



CORAZA INTEGRATED TECHNOLOGY BERHAD

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

**INTERIM FINANCIAL REPORT
FOR THE FORTH QUARTER ENDED 31 DECEMBER 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 DECEMBER 2024

| | Individual Quarter | | Cumulative Quarter | |
|--|---|--|---|---|
| | Current Year Quarter 31.12.2024 RM'000 | Preceding Year Corresponding Quarter 31.12.2023 RM'000 | Current Year-To- Date 31.12.2024 RM'000 | Preceding Year Corresponding Year-To-Date 31.12.2023 RM'000 |
| Revenue | 35,676 | 15,745 | 109,031 | 80,679 |
| Cost of sales | (28,152) | (14,450) | (87,977) | (68,730) |
| Gross profit ("GP") | 7,524 | 1,295 | 21,054 | 11,949 |
| Other income | 1,003 | (1,457) | 2,923 | 2,588 |
| Administrative expenses | (3,010) | (1,479) | (14,882) | (12,584) |
| Selling and distribution expenses | (2,110) | (1,347) | (6,784) | (4,634) |
| Operating profit/(loss) | 3,407 | (2,988) | 2,311 | (2,681) |
| Finance costs | (427) | (244) | (1,344) | (758) |
| Profit/(Loss) before tax("PBT")/("LBT") | 2,980 | (3,232) | 967 | (3,439) |
| Taxation | B5 3,029 | (325) | 3,426 | 769 |
| Net profit/(loss) | 6,009 | (3,557) | 4,393 | (2,670) |
| Net profit/(loss)/ Total comprehensive income/(expense) for the period attributable to: | | | | |
| Owners of the Company | 6,009 | (3,557) | 4,393 | (2,670) |
| Earnings/(Loss) per share to owners of the Company: ("EPS")/("LPS") (sen) | | | | |
| Basic | B11 1.22 | (0.79) | 0.89 | (0.59) |
| Diluted ⁽²⁾ | 1.21 | (0.79) | 0.89 | (0.59) |

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) 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 31 DECEMBER 2024

| | (Unaudited) As at 31.12.2024 RM'000 | (Audited) As at 31.12.2023 RM'000 |
|---|---|---|
| ASSETS | | |
| Non-current asset | | |
| Property, plant and equipment | 76,346 | 62,347 |
| Right-of-use asset | 1,124 | 1,911 |
| Deferred tax assets | 3,233 | - |
| Total non-current asset | 80,703 | 64,258 |
| Current assets | | |
| Inventories | 19,056 | 25,858 |
| Trade receivables | 32,768 | 13,443 |
| Other receivables, deposits and prepayments | 8,242 | 3,884 |
| Derivative financial assets | - | - |
| Tax recoverable | 2,396 | 1,963 |
| Cash and cash equivalents | 46,233 | 53,676 |
| Total current assets | 108,695 | 98,824 |
| TOTAL ASSETS | 189,398 | 163,082 |
| EQUITY AND LIABILITIES | | |
| Share capital | 101,025 | 101,025 |
| Merge reserve | (26,753) | (26,753) |
| Share grant reserve | 457 | - |
| Retained profits | 56,039 | 51,646 |
| TOTAL EQUITY | 130,768 | 125,918 |
| Non-current liabilities | | |
| Deferred income | 450 | 450 |
| Deferred tax liabilities | - | 1,876 |
| Borrowings | 20,620 | 4,343 |
| Lease liability | 80 | 772 |
| Other payable | 308 | - |
| Total non-current liabilities | 21,458 | 7,441 |
| Current liabilities | | |
| Deferred income | - | 336 |
| Trade payables | 8,954 | 3,604 |
| Other payables and accruals | 14,044 | 3,279 |
| Refund liabilities | 438 | 105 |
| Borrowings | 12,607 | 21,208 |
| Lease liability | 1,085 | 1,191 |
| Tax payables | 44 | - |
| Total current liabilities | 37,172 | 29,723 |
| TOTAL LIABILITIES | 58,630 | 37,164 |
| TOTAL EQUITY AND LIABILITIES | 189,398 | 163,082 |
| Net assets per ordinary share attributable to owners of the Company (RM) ⁽²⁾ | 0.26 | 0.26 |

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 31 DECEMBER 2024

| | Attributable to Owners of the Company | | | | Retained Profits RM'000 | Total Equity RM'000 |
|--|---------------------------------------|---------------------------|----------------------------------|---------------------------|----------------------------|------------------------|
| | Non-Distributable | | Distributable | | | |
| | Share Capital RM'000 | Merger Reserves RM'000 | Share Grant Reserve RM'000 | ESOS Reserve RM'000 | | |
| <u>12 months ended 31 December 2024</u> | | | | | | |
| At 1 January 2024 (Audited) | 101,025 | (26,753) | - | - | 51,646 | 125,918 |
| Issuance of shares | - | - | 420 | 37 | - | 457 |
| Total comprehensive income | - | - | - | - | 4,393 | 4,393 |
| At 31 December 2024 (Unaudited) | 101,025 | (26,753) | 420 | 37 | 56,039 | 130,768 |

| | Attributable to Owners of the Company | | | | Retained Profits RM'000 | Total Equity RM'000 |
|--|---------------------------------------|---------------------------|----------------------------------|---------------------------|----------------------------|------------------------|
| | Non-Distributable | | Distributable | | | |
| | Share Capital RM'000 | Merger Reserves RM'000 | Share Grant Reserve RM'000 | ESOS Reserve RM'000 | | |
| <u>12 months ended 31 December 2023</u> | | | | | | |
| At 1 January 2023 (Audited) | 61,403 | (26,753) | - | - | 54,316 | 88,966 |
| Issuance of shares | 40,563 | - | - | - | - | 40,563 |
| Share issuance expenses | (941) | - | - | - | - | (941) |
| Total Comprehensive Income | - | - | - | - | (2,670) | (2,670) |
| At 31 December 2023 (Audited) | 101,025 | (26,753) | - | - | 51,646 | 125,918 |

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 31 DECEMBER 2024

| | Current Year-To-Date 31.12.2024 RM'000 | Preceding Year Corresponding Year-To-Date 31.12.2023 RM'000 |
|---|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before tax | 967 | (3,439) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 7,577 | 7,285 |
| Depreciation of right of use asset | 1,407 | 1,383 |
| Deferred income released | (336) | (336) |
| Employee Share Option Scheme (ESOS) | 37 | - |
| Inventories written down | 3,670 | 400 |
| Property, plant and equipment written off | 19 | - |
| Gain on disposal of property, plant and equipment | - | (138) |
| Interest expense | 1,344 | 759 |
| Share grant expenses | 420 | - |
| Interest income | (1,797) | (768) |
| Unrealised gain on foreign exchange | (773) | (1,152) |
| Operating profit before working capital changes | 12,535 | 3,994 |
| Net changes in: | | |
| Inventories | 3,132 | 4,686 |
| Receivables | (22,827) | 22,806 |
| Payables | 16,340 | (21,860) |
| Refund liabilities | 333 | (205) |
| Cash generated from operations | 9,513 | 9,421 |
| Income tax paid | (2,072) | (2,045) |
| Income tax refund | - | 220 |
| Interest paid | (1,270) | (650) |
| Net cash from operating activities | 6,171 | 6,946 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 1,797 | 768 |
| Proceeds from disposal of property, plant and equipment | - | 1,006 |
| Placement of fixed deposit | - | (39,000) |
| Purchase of property, plant and equipment | (21,595) | (31,702) |
| Net cash used in investing activities | (19,798) | (68,928) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of shares | - | 39,622 |
| Payment of lease liability | (1,491) | (1,464) |
| Net repayment of bankers' acceptance | (2,089) | (1,932) |
| Net repayment of hire purchase | (827) | (1,005) |
| Net (repayment)/drawdown of revolving credit | (7,500) | 16,000 |
| Net drawdown/(repayment) of term loans | 18,092 | (1,601) |
| Changes in fixed deposits pledged to a licensed bank | 2,100 | (668) |
| Net cash from financing activities | 8,285 | 48,952 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (5,342) | (13,030) |
| CASH AND CASH EQUIVALENTS AT BEGINNING | 10,050 | 23,080 |
| CASH AND CASH EQUIVALENTS AT END | 4,708 | 10,050 |
| Represented by: | | |
| Fixed deposits with a licensed bank | 41,525 | 47,504 |
| Cash and bank balances | 4,708 | 6,172 |
| | 46,233 | 53,676 |
| Less: Fixed deposits pledged to a licensed bank | (41,525) | (43,626) |
| | 4,708 | 10,050 |

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 |
| Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 and MFRS 7) | 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

Saved as disclosed below, 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.

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.

A8. Dividend paid

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

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

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 31.12.2024 RM'000 | Preceding Year Corresponding Quarter 31.12.2023 RM'000 | Current Year-To-Date 31.12.2024 RM'000 | Preceding Year Corresponding Year-To-Date 31.12.2023 RM'000 |
|--|---|---|---|--|
| Revenue:- | | | | |
| Fabrication of sheet metal; Frames & Structure | 31,305 | 14,445 | 97,227 | 74,526 |
| Precision Machining | 4,371 | 1,300 | 11,804 | 6,153 |
| | 35,676 | 15,745 | 109,031 | 80,679 |

(b) Contribution by geographical factors

| | Current Year Quarter 31.12.2024 RM'000 | Preceding Year Corresponding Quarter 31.12.2023 RM'000 | Current Year- To-Date 31.12.2024 RM'000 | Preceding Year Corresponding Year-To-Date 31.12.2023 RM'000 |
|--------------------------|---|---|--|--|
| Revenue:- | | | | |
| Malaysia | 30,023 | 7,677 | 79,098 | 50,608 |
| Singapore | 5,201 | 5,941 | 24,693 | 22,719 |
| United States of America | 900 | 1,453 | 4,831 | 6,138 |
| China | (87) | 2 | 32 | 32 |
| European countries | 49 | 30 | 109 | 186 |
| Other Asian countries | (410) | 642 | 268 | 996 |
| | 35,676 | 15,745 | 109,031 | 80,679 |

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

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.

A11. Material events subsequent to the end of the reporting period

There were no other significant events subsequent to the end of the current quarter under review.

A12. Changes in composition of the Group

On 9th January 2025, Coraza Integrated Technology Berhad subscribed for 100 ordinary shares at an issue price of RM1 each, representing 100% of the share capital in a new subsidiary, Coraza Integrated Engineering Sdn Bhd, a company incorporated in Malaysia, for cash purchase consideration of RM100.

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 2024.

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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 31.12.2024 RM'000 | Preceding Year Corresponding Quarter 31.12.2023 RM'000 | Current Year To Date 31.12.2024 RM'000 | Preceding Year Corresponding Period 31.12.2023 RM'000 |
| Sales of fabricated parts | UC | 1 | 329 | 668 | 975 |
| Provision of finishing services | STS | 597 | 334 | 1,979 | 1,915 |
| 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 31.12.2024 RM'000 | As at 31.12.2023 RM'000 |
|----------------------------------|----------------------------|----------------------------|
| Contracted but not provided for: | | |
| - Property, Plant and Equipment | 32,940 | 9,250 |
| Approved but not contracted for: | | |
| - Property, Plant and Equipment | 4,932 | 23,015 |
| | <u>37,872</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 31.12.2024 RM'000 | Preceding Year Corresponding Quarter 31.12.2023 RM'000 | Changes % | Current Year-To- Date 31.12.2024 RM'000 | Preceding Year Corresponding Year-To-Date 31.12.2023 RM'000 | Changes % |
|-----------|---|--|--------------|---|---|--------------|
| Revenue | 35,676 | 15,745 | 126.59 | 109,031 | 80,679 | 35.14 |
| GP | 7,524 | 1,295 | 481.00 | 21,054 | 11,949 | 76.20 |
| PBT/(LBT) | 2,980 | (3,232) | 192.20 | 967 | (3,439) | 128.12 |

Comparison with the corresponding quarter in the previous financial year

During the quarter under review, the Group reported revenue of RM35.68 million, marking a 126.6% increase from RM15.75 million recorded in the corresponding quarter of the previous financial year. This remarkable increase in revenue primarily derived from semiconductor industry's recovery and the phasing in / conversion of NPI into production mode contributing to revenue

Profit before tax ("PBT") of the Group in the current financial quarter was RM2.98 million, increased of 192% comparing with corresponding quarter of the previous financial year. The increase in PBT was in tandem with the higher revenue.

Comparison with the preceding year corresponding year-to-date

For the financial year ended 31 December 2024, the Group registered revenue of RM109.03 million, representing a 35.14% increase from RM80.68 million. This growth was mainly driven by the semiconductor industry's gradual recovery and successful conversion of NPI to mass production.

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

B2. Comparison with immediate preceding quarter

| | Current Year Quarter 31.12.2024 RM'000 | Immediate Preceding Quarter 30.09.2024 RM'000 | Changes % |
|---------|--|--|--------------|
| Revenue | 35,676 | 31,835 | 12.06 |
| GP | 7,524 | 8,105 | (7.17) |
| PBT | 2,980 | 171 | 1,642.69 |

The Group's revenue rose by 12.06% to RM35.68 million in the current quarter, up from RM31.84 million in the previous quarter, primarily due to the gradually recovery in semiconductor industry. In line with this revenue growth, the Group reported a profit before tax of RM2.98 million, rebounding from RM0.17 million in the prior quarter.

B3. Prospects of the Group

The semiconductor industry demonstrated remarkable resilience and growth in 2024. According to the World Semiconductor Trade Statistics (WSTS) report released on December 3, 2024, the industry outperformed expectations, achieving an impressive 19% year-on-year growth with total sales of US\$627 billion—exceeding the earlier forecast of US\$611 billion. Looking ahead, 2025 is projected to set another milestone, with sales forecasted at US\$697 billion, putting the industry firmly on track to reach the aspirational US\$1 trillion milestone by 2030. This trajectory implies a required compound annual growth rate (CAGR) of 7.5% between 2025 and 2030.

Perhaps the right question to ask is whether Malaysia able to capture the total addressable market and enjoying the market share while we are facing geo-political uncertainty. According to the Malaysia Industrial Development Finance (MIDF) 18th December 2024 Report of Malaysia Technology Sector Outlook, Malaysia anticipated of 7.7% growth in 2025 comparing with 2024, with technological sector revenue US\$121.5 billion in 2025 comparing with US\$112.8 billion in 2024. The research report suggested that the front-end segment and equipment provider fuelling the momentum for the growth which in tandem with global growth rate.

On January 9, 2025, Prime Minister outlined an ambitious vision to position Malaysia as a leading energy and semiconductor manufacturing hub. This strategy is supported by increased foreign investments and a favourable domestic economic outlook, with a strong emphasis on talent development and supply chain enhancements to drive the country's evolution into a semiconductor fabrication powerhouse.

Aligned with this national vision, the Company continues to drive revenue growth through strategic expansion initiatives. Investments in advanced manufacturing capabilities, including enhanced production floor space and state-of-the-art precision equipment, have enabled the Company to capture new opportunities. This approach is yielding tangible results, as evidenced by increased New Product Introductions (NPI) and successful customer project transfers. Additionally, a strong pipeline of orders for frames and structural components supports the Group's long-term strategy to diversify beyond its core sheet metal operations.

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

B3. Prospects of the Group (Cont'd)

We remain committed to strategic capital investments in both CAPEX and talent development to meet evolving customer needs and deliver more comprehensive, integrated solutions. This forward-looking approach strengthens our value proposition, enhances competitiveness, and positions us to capture a larger share of the metal fabrication market, while also expanding our presence in the machining segment.

In terms of capacity and capability expansion, our expansion efforts continue to gain momentum with the newly acquired P5 plant (Lot No. 2778), located directly across from our existing Nibong Tebal facilities (P1 – Lot 2777 & Lot 2783). Operations commenced in the quarter 4 of 2024, adding 87,000 square feet of production space to support our comprehensive one-stop solution for the fabrication of complex frames and structures. Encouraging growth in orders for frames and structures further validates our strategy of extending capabilities beyond core sheet metal operations.

Meanwhile, the new P3 facility (Lot 2773 & Lot 2776), adjacent to our current Nibong Tebal site, remains on track with its construction pipeline. The target completion date is set for July 2025, subject to regulatory approvals and any unforeseen delays. A significant CAPEX investment has been allocated for advanced equipment installations in this facility, which will feature 83,000 square feet of additional production space. The plant is expected to be operational by Q4 2025, further bolstering our production capacity.

These capacity expansions and capability enhancements reinforce Coraza's positioning to leverage the semiconductor upcycle. With increasing sales orders and an improving industry outlook, we anticipate stronger performance in the coming quarters. We continue to refine our manufacturing processes for greater efficiency, implement cost-control measures, and strengthen quality assurance systems. Additionally, we remain vigilant in mitigating financial risks, including currency volatility, to safeguard profitability.

In line with the Group's progressive roadmap, the 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 31.12.2024 RM'000 | Preceding Year Corresponding Quarter 31.12.2023 RM'000 | Current Year- To-Date 31.12.2024 RM'000 | Preceding Year Corresponding Year-To-Date 31.12.2023 RM'000 |
|------------------------|---|--|--|---|
| Income tax expense | | | | |
| -Current Period | 35 | (11) | 379 | 40 |
| - Prior year | 17 | 126 | 1,304 | 1,246 |
| Deferred tax | | | | |
| -Current Period | (3,082) | 1,530 | (3,745) | 514 |
| -Prior year | 1 | (1,320) | (1,364) | (2,569) |
| | (3,029) | 325 | (3,426) | (769) |
| Effective tax rate (%) | (101.64) | (10.06) | (354.29) | 22.36 |
| 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 was proposed to be vested on 2 January 2025 and been execute in good faith, with successful execution of 572,900 shares grant, 43,000 shares forfeited due to not meeting the program criteria.

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:

| No. | Details of utilisation | IPO | Re-allocation | Actual | Balance of IPO | Initial Timeframe for the utilisation of IPO Proceeds ⁽ⁱ⁾ | Revised Timeline for the utilisation of IPO Proceeds ⁽ⁱⁱ⁾ |
|-----|--------------------------------|---------------|---------------|-----------------|---------------------|--|--|
| | | Proceeds | | Utilisation | proceeds unutilised | | |
| | | RM'000 | RM'000 | RM'000 | RM'000 | | |
| 1 | Purchase of new machinery | 15,500 | - | (15,500) | - | Within 36 months | - |
| 2 | Construction of factory | 6,412 | - | (364) | 6,048 | Within 36 months | Within 60 months |
| 3 | Implementation of ERP system | 1,200 | - | (1,200) | - | Within 12 months | - |
| 4 | Extension of existing building | 1,500 | - | (1,500) | - | Within 12 months | - |
| 5 | Repayment of bank borrowings | 4,600 | - | (4,600) | - | Within 12 months | - |
| 6 | Estimated listing expenses | 3,770 | (583) | (3,187) | - | Immediately | - |
| 7 | Working capital | - | 583 | (583) | - | Within 9 months | - |
| | Total | 32,982 | - | (26,934) | 6,048 | | |

Notes:

- i. From the date of listing of the Company.
- ii. 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 December 2024, the construction progress was recorded at 40.03%. The plant with an 83,000 sq ft production floor space, is expected to become operational in the fourth quarter of 2025.

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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:

| No. | Details of utilisation | Private Placement Proceeds | Actual Utilisation | Balance of Private Placement proceeds unutilised | Initial Timeframe for the utilisation of Private Placement Proceeds ⁽ⁱ⁾ | Revised Timeline for the utilisation of Private Placement Proceeds ⁽ⁱⁱ⁾ |
|-----|----------------------------|----------------------------|--------------------|--|--|--|
| | | RM'000 | RM'000 | RM'000 | | |
| 1 | Purchase of new machinery | 27,000 | (7,034) | 19,966 | Within 24 months | Within 42 months |
| 2 | Set up of clean room | 12,622 | - | 12,622 | Within 24 months | Within 42 months |
| 3 | Estimated listing expenses | 941 | (941) | - | Immediately | - |
| | Total | 40,563 | (7,975) | 35,588 | | |

Note:

- i. From the date of listing of the Shares.
- ii. Being an additional 18 months from the expiry date of the initial timeframe for the utilisation of Private Placement Proceeds.

B8. Group borrowings and debts securities

| As at 31 December 2024 | Long term RM'000 | Short term RM'000 | Total borrowings RM'000 |
|------------------------|---------------------|----------------------|----------------------------|
| Secured | | | |
| Bankers' acceptance | - | 2,079 | 2,079 |
| Hire purchase | 954 | 690 | 1,644 |
| Revolving credit | - | 8,500 | 8,500 |
| Term loans | 19,666 | 1,338 | 21,004 |
| Total | 20,620 | 12,607 | 33,227 |

B9. Material Litigation

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

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

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 31.12.2024 | Preceding Year Corresponding Quarter 31.12.2023 | Current Year- To-Date 31.12.2024 | Preceding Year Corresponding Year-to-Date 31.12.2023 |
| Profit/(Loss) attributable to Owners of the Company (RM'000) | 6,009 | (3,557) | 4,393 | (2,670) |
| Weighted average number of ordinary shares ('000) | 493,621 | 449,875 | 493,621 | 449,875 |
| EPS (sen) | 1.22 | (0.79) | 0.89 | (0.59) |

b) Diluted EPS

| | Individual Quarter | | Cumulative Period | |
|--|---------------------------------------|--|--|---|
| | Current Year Quarter 31.12.2024 | Preceding Year Corresponding Quarter 31.12.2023 | Current Year- To-Date 31.12.2024 | Preceding Year Corresponding Year-to-Date 31.12.2023 |
| Profit/(Loss) attributable to Owners of the Company (RM'000) | 6,009 | (3,557) | 4,393 | (2,670) |
| Weighted average number of ordinary shares ('000) | 493,621 | 449,875 | 492,212 | 449,875 |
| Effect of dilution due to share grant scheme ('000) | 2,187 | - | 2,187 | - |
| Adjusted weighted average number of ordinary shares applicable to diluted EPS ('000) | 495,808 | 449,875 | 494,399 | 449,875 |
| EPS (sen) | 1.21 | (0.79) | 0.89 | (0.59) |

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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 the following: -

| | Individual Quarter | | Cumulative Period | |
|---|---|--|--|---|
| | Current Year Quarter 31.12.2024 RM'000 | Preceding Year Corresponding Quarter 31.12.2023 RM'000 | Current Year- To-Date 31.12.2024 RM'000 | Preceding Year Corresponding Year-to-Date 31.12.2023 RM'000 |
| After charging/ (crediting):- | | | | |
| Depreciation of property, plant and equipment | 2,051 | 1,877 | 7,577 | 7,285 |
| Depreciation on right-of-use asset | 354 | 346 | 1,407 | 1,383 |
| Employee share Option Scheme (ESOS) | 22 | - | 37 | - |
| Property, plant and equipment written off | 19 | - | 19 | - |
| Interest expense | 427 | 246 | 1,344 | 759 |
| Listing expenses | - | - | - | 28 |
| Loss/(Gain) on foreign exchange | | | | |
| - Realised | 966 | (242) | 2,543 | (164) |
| - Unrealised | (2,601) | 311 | (773) | (1,152) |
| Provision of inventories write down | 3,670 | 400 | 3,670 | 400 |
| Short-term leases and lease of low value assets | 161 | 164 | 633 | 661 |
| Share grant expenses | 164 | - | 420 | - |
| Deferred income released | (84) | (84) | (336) | (336) |
| Gain on disposal of property, plant and equipment | - | (94) | - | (138) |
| Interest income | (320) | (386) | (1,797) | (768) |

BY ORDER OF THE BOARD
CORAZA INTEGRATED TECHNOLOGY BERHAD
27 FEBRUARY 2025