

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has conducted a limited review on this Circular pursuant to the provisions of Guidance Note 22 of Bursa Securities ACE Market Listing Requirements.

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**CIRCULAR TO SHAREHOLDERS IN RELATION TO PROPOSED SHAREHOLDERS’ RATIFICATION AND PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS’ MANDATE”)**

The above proposal will be tabled as Special Business at the First (1<sup>st</sup>) Annual General Meeting of Coraza Integrated Technology Berhad (“**Coraza**” or “**the Company**”) to be held and conducted by way of fully virtual basis through live streaming and online remote meeting platform of TIIH Online provided by Tricor Investor & Issuing House Services Sdn Bhd via its website at <https://tiih.online> or <https://tiih.com.my> (Domain Registration No. with MYNIC – D1A282781) on Friday, 27 May 2022 at 10.00 a.m. or at any adjournment thereof. The Notice of 1<sup>st</sup> Annual General Meeting together with the Form of Proxy are enclosed in the Annual Report of the Company for the financial period ended 31 December 2021.

A member entitled to attend, participate, speak and vote at the 1<sup>st</sup> Annual General Meeting is entitled to appoint proxy(ies) to attend, participate, speak and vote on his/her behalf. In such event, the Form of Proxy must be lodged at the office of Tricor Investor & Issuing House Services Sdn Bhd (“**Tricor**”), our share registrar, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at Tricor’s Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or can be electronically lodged with the Company’s Share Registrar via **TIIH Online** at <https://tiih.online> not less than 48 hours before the stipulated time appointed for holding the 1<sup>st</sup> Annual General Meeting or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking and voting at the 1<sup>st</sup> Annual General Meeting should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy : Wednesday, 25 May 2022 at 10.00a.m.

Date and time of First (1<sup>st</sup>) Annual General Meeting : Friday, 27 May 2022 at 10.00a.m.

*This Circular is dated 28 April 2022*

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## DEFINITIONS

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For the purposes of this Circular, except where the context otherwise requires, the following definitions shall apply:

“Act”	:	The Companies Act 2016 as amended from time to time, and includes every statutory modification or any re-enactment thereof for the time being in force
“AGM”	:	Annual General Meeting
“1 <sup>st</sup> AGM”	:	First Annual General Meeting of the Company
“Audit Committee”	:	The Audit Committee of Coraza
“Board”	:	The Board of Directors of Coraza
“Bursa Securities”	:	Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
“Circular”	:	Circular to Shareholders in relation to the Proposal
“Constitution”	:	Constitution of Coraza
“Coraza” or “the Company”	:	Coraza Integrated Technology Berhad [202001039065 (1395386-M)]
“Coraza Group” or “Group”	:	Coraza and its subsidiary
“Coraza Share(s)” “Share(s)”	or	Ordinary share(s) in Coraza
“CSM”	:	Coraza Systems Malaysia Sdn Bhd [200101023388 (559146-T)]
“Director”	:	Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of Coraza or any other company which is a subsidiary of Coraza or a holding of Coraza
“EPS”	:	Earnings Per Share
“Listing Date”	:	20 January 2022, the date Coraza was admitted to the Official List of Bursa Securities
“Listing Requirements”	:	ACE Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time
“LPD”	:	31 March 2022, being the latest practicable date prior to the printing of this Circular

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**DEFINITIONS (CONT'D)**

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- “Mandate Period” : The period during which the RRPTs are to be entered into for which the Proposed New Shareholders’ Mandate is being sought. This period shall commence immediately upon the passing of the ordinary resolution for the Proposed New Shareholders’ Mandate at the forthcoming AGM until:
- (a) the conclusion of the next AGM, unless the authority is renewed by a resolution passed at the next AGM;
  - (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - (c) revoked or varied by resolution passed by the shareholders in general meeting,
- whichever is the earlier
- “Major Shareholder(s)” : Means a person who has an interest or interests in one or more voting shares in a company and the number or the aggregate number of those shares, is:
- (a) 10% or more of the total number of voting shares in the Company; or
  - (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company,
- and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, such major shareholder of the company or any other company which is its subsidiary or holding company
- For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the Act
- “NA” : Net assets attributable to ordinary equity holders of Coraza
- “Proposed New Shareholders’ Mandate” : Proposed new shareholders’ mandate for Coraza Group to enter into RRPTs of a revenue or trading nature
- “Proposed Shareholders’ Ratification” : Proposed shareholders’ ratification from the shareholders of the Company for the RRPTs entered into by the Group for the period commencing from Listing Date to the date of the 1<sup>st</sup> AGM
- “Proposed Shareholders’ Mandate” or “Proposal” : Collectively, Proposed Shareholders’ Ratification and Proposed New Shareholders’ Mandate
- “Ratification Period” : Period during which the RRPTs were entered into for which the Proposed Shareholders’ Ratification is sought. This period shall commence from the Listing Date to the date of the 1<sup>st</sup> AGM
- “Related Party(ies)” : Director(s), major shareholder(s) or person(s) connected with such director(s) or major shareholder(s) of Coraza

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**DEFINITIONS (CONT'D)**

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- “RRPT(s)” : A transaction entered into by the Company or its subsidiary which involves the interest, direct or indirect, of a Related Party, which is recurrent, of a revenue or trading nature and which is necessary for day to day operations of the Company or its subsidiary
- “RM” and “sen” : Ringgit Malaysia and sen, respectively
- “Shareholders” : Shareholders of Coraza
- “Substantial Shareholder(s)” : A person who has interest or interests in one or more voting Shares in the Company and the number of that Share, or aggregate number of those Shares, is not less than 5% of the total number of all the voting Shares in the Company
- “2021 Annual Report” : Annual Report of Coraza issued for the financial period ended 31 December 2021

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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**TABLE OF CONTENTS**

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<b>LETTER TO THE SHAREHOLDERS CONTAINING :</b>	<b>PAGE</b>
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE	2
3. RATIONALE AND BENEFITS FOR THE PROPOSED SHAREHOLDERS' MANDATE	9
4. EFFECTS OF THE PROPOSAL	9
5. INTEREST OF DIRECTORS / MAJOR SHAREHOLDERS / PERSON CONNECTED	10
6. APPROVALS REQUIRED	10
7. DIRECTORS' RECOMMENDATION	11
8. ANNUAL GENERAL MEETING	11
9. FURTHER INFORMATION	11
APPENDIX I - FURTHER INFORMATION	

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**Registered Office**  
48, Jalan Chow Thye  
10050 George Town  
Pulau Pinang

28 April 2022

**Board of Directors**

Ng Fook San	<i>(Executive Chairman)</i>
Ng Hong Kiat @ Ng Han Kiat	<i>(Independent Non-Executive Deputy Chairman)</i>
Lim Teik Hoe	<i>(Managing Director)</i>
Paul Heng Weng Seng	<i>(Non-Independent Non-Executive Director)</i>
Dato' Seri Haji Abdul Rafique Bin Abdul Karim	<i>(Independent Non-Executive Director)</i>
Rusmin Alwani Binti Shukery	<i>(Independent Non-Executive Director)</i>

**To : The Shareholders of Coraza**

Dear Sir/Madam,

**PROPOSED SHAREHOLDERS' MANDATE**

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**1. INTRODUCTION**

Bursa Securities has via its letter dated 9 March 2022 granted Coraza an extension of time to obtain Proposed Shareholders' Ratification for the RRPTs that the Group had entered into with the Related Parties since the Listing Date up to the date of the Company's forthcoming Extraordinary General Meeting (if any) or AGM, whichever is earlier.

The Proposed Shareholders' Ratification is being sought instead of obtaining shareholders' prior approval, mainly due to Coraza is in its first year of listing on the ACE Market of Bursa Securities, ratification of RRPTs entered into from the Listing Date up to its AGM allows the Company to coincide the Proposed Shareholders' Ratification and Proposed New Shareholders Mandate with its AGM and eliminate the need for separate general meetings which reduces expenses for the Company.

On 28 March 2022, the Board of Directors of Coraza announced that the Company proposed to seek its shareholders' approval on the Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate.

The purpose of this Circular is to provide you with the relevant information of the Proposed Shareholders' Mandate and to seek your approval on the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming 1<sup>st</sup> AGM, which will be held and conducted by way of fully virtual basis through live streaming and online remote meeting platform of TIIH Online provided by Tricor Investor & Issuing House Services Sdn Bhd via its website at <https://tiih.online> or <https://tiih.com.my> (Domain Registration No. with MYNIC – D1A282781) on Friday, 27 May 2022 at 10.00 a.m. or at any adjournment thereof. The notice of the 1<sup>st</sup> AGM together with the Form of Proxy is enclosed in the 2021 Annual Report.

**SHAREHOLDERS OF CORAZA ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE AT THE FORTHCOMING 1<sup>ST</sup> AGM.**

**2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE**

**2.1 The Listing Requirements**

Pursuant to Rule 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders in respect of RRPTs subject to the following :

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of the transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with a share capital of RM60.0 million and above :
  - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1.0 million or more; or
  - (ii) the percentage ratio of such RRPT is 1% or more,whichever is the higher.
- (c) the listed issuers' circular to shareholders for the shareholder mandate includes the information as may be prescribed by Bursa Securities. The draft circular relating to shareholders' mandate for New RRPT must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested directors, interested major shareholders or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such directors or major shareholder, must not vote on the resolution to approve the RRPT. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the RRPT; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

**2.2 Principal Activities of Coraza Group**

The principal activities of Coraza consist of investment holding, while its subsidiary is principally involved in the fabrication of sheet metal and precision machined components, as well as the provision of related services, such as design and development and value-added sub-module assembly services. The details of Coraza's subsidiary as well as its principal activities as at the LPD are set out in the table below :

<b>Name of Company</b>	<b>Effective Equity Interest</b>	<b>Principal Activities</b>
Coraza Systems Malaysia Sdn Bhd	100%	fabrication of sheet metal and precision machined components, as well as the provision of related services, such as design and development and value-added sub-module assembly services

Coraza Group has, in the ordinary course of its business, entered into the RRPTs and it is anticipated that Coraza Group would, in the ordinary course of business, continue to enter into such transactions with the Related Parties, details of which are set out in Section 2.4 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

Accordingly, the Board proposes to seek the Proposed Shareholders' Ratification on those RRPTs entered into by Coraza Group during the Ratification Period and Proposed New Shareholders' Mandate for the Coraza Group to enter into transactions in the normal course of business within the classes of Related Parties set out in Section 2.4 below during the Mandate Period, provided such transactions are entered into at arm's length and on transaction prices and normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders. Such mandate will enable the Group to enter into the RRPTs without the necessity, in most instances, to make the otherwise required announcement or to convene meetings in order to procure specific prior approval of its shareholders. The RRPTs will also be subject to the review procedures set out in Section 2.5 below.

### **2.3 Validity Period of the Proposed New Shareholders' Mandate**

The Proposed New Shareholders' Mandate, if approved by the shareholders, shall take effect from the passing of the ordinary resolution proposed at the forthcoming AGM and shall continue to be in force until :

- (a) the conclusion of the next AGM of Coraza following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the general meeting, the mandate is renewed;
  - (b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - (c) revoked or varied by resolution passed by the shareholders in general meeting,
- whichever is earlier.

Thereafter, approval from shareholders will be sought for the renewal of the shareholders' mandate at subsequent AGM of the Company.

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## 2.4 Classes of Related Parties and Nature of RRPPTs

The nature of the RRPPTs entered and/or to be entered into by Coraza Group and the class of Related Parties under the Proposal are as follows:

Related Party & Its Principal Activities	Coraza Group - Transacting Party	Nature of Transaction with Coraza Group	Actual value transacted from Listing Date to LPD (“Actual Value”)	Estimated value of transaction for the period from LPD to the forthcoming AGM (“Estimated Value”) *	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM *	Nature of relationship between Coraza Group and the Related Party
Surface Technology Solutions Sdn Bhd (“STS”) - plating, powder coating, surface furnishing, masking, painting and polishing of metal products.	CSM	<ul style="list-style-type: none"> <li>Provision of finishing services by STS to CSM, such as the provision of services for wet painting, powder coating and conversion for coating products such as metal fabrication, wafer machine and test equipment.</li> </ul>	(RM'000) 681	1,332 (RM'000)	7,400 (RM'000)	<ul style="list-style-type: none"> <li>STS is a wholly-owned subsidiary of Armour Holdings Sdn Bhd (formerly known as Coraza Holdings Sdn Bhd) (“AHSB”).</li> <li>AHSB is a person connected to Paul Heng Weng Seng and Liew Sow Ying.</li> <li>Paul Heng Weng Seng is the Non-Independent Non-Executive Director and Major Shareholder of Coraza.</li> <li>Liew Sow Ying is the Major Shareholder of Coraza. She is the spouse of Lim Teik Hoe.</li> <li>Lim Teik Hoe is the Managing Director and Major Shareholder of Coraza.</li> </ul>

<b>Related Party &amp; Its Principal Activities</b> Unigen Corporation - Industrial-focused memory modules and storage solutions manufacturer	<b>Coraza Group - Transacting Party</b> CSM	<b>Nature of Transaction with Coraza Group</b> <ul style="list-style-type: none"> <li>Sales of fabricated parts to Unigen Corporation by CSM.</li> </ul> <p>Fabricated parts are the formation of metal parts by undergoing processes such as cutting, bending, welding and assembly. The fabricated parts to Unigen Corporation will be used for enclosure for data centres.</p>	<b>Actual value transacted from Listing Date to LPD (“Actual Value”)</b> <b>(RM’000)</b> 226	<b>Estimated value of transaction for the period from LPD to the forthcoming AGM (“Estimated Value”)*</b> <b>(RM’000)</b> 339	<b>Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM *</b> <b>(RM’000)</b> 2,460	<b>Nature of relationship between Coraza Group and the Related Party</b> <ul style="list-style-type: none"> <li>Unigen Corporation is a person connected to Paul Heng Weng Seng.</li> <li>Paul Heng Weng Seng is the Non-Independent Non-Executive Director and Major Shareholder of Coraza.</li> </ul>
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Related Party & Its Principal Activities	Coraza Group - Transacting Party	Nature of Transaction with Coraza Group	Actual value transacted from Listing Date to LPD ("Actual Value") (RM'000)	Estimated value of transaction for the period from LPD to the forthcoming AGM ("Estimated Value") * (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM * (RM'000)	Nature of relationship between Coraza Group and the Related Party
Kalungan Prestij Sdn Bhd - Property investment holding	CSM	<ul style="list-style-type: none"> <li>Renting of factory by Kalungan Prestij Sdn Bhd to CSM<sup>(1)</sup></li> </ul>	5	3	25	<ul style="list-style-type: none"> <li>Kalungan Prestij Sdn Bhd is a person connected to Lim Teik Hoe and Liew Sow Ying.</li> <li>Liew Sow Ying is the Major Shareholder of Coraza. She is the spouse of Lim Teik Hoe.</li> <li>Lim Teik Hoe is the Managing Director and Major Shareholder of Coraza.</li> </ul>

**Notes:**

\* The estimated values are calculated based on the historical data and best estimates by the management. Accordingly, the actual value of the transaction may be varied from the estimated value disclosed above and subject to changes.

<sup>(1)</sup> The rental paid by CSM is for the factory located at No. 136, Jalan Suasa 7, Kawasan Industrial Taman Suasa, 09000 Kulim, Kedah with land area of approximately 7,201sq ft rented from Kalungan Prestij Sdn Bhd, at the monthly rental of RM2,000 where the present tenancy is for one year from 1 December 2021 to 30 November 2022 with option to renew for another 1 year. The rental is at market rate and not more favourable than our other rental agreements, notwithstanding that the renewal terms allow for a 10% increase. Such rental limit terms are commonplace and are not unreasonable to be imposed.

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## 2.5 Review Methods or Procedures for the Recurrent Related Party Transactions

Coraza Group has established various methods and procedures to ensure the RRPTs are undertaken on arms' length and on normal commercial terms, which are consistent with Coraza Group's usual business practices and policies, on transaction prices and terms which are not more favourable to the Related Parties than those extended to the public and are not detrimental to the minority shareholders.

The review and disclosure procedures are as follows :

- (i) Any transaction entered into by the Group which involves the interest (whether direct or indirect) of a Related Party must bring to the attention of the Head of Finance at the earliest opportunity. All authorised personnel should refer to the Related Party Transaction Policy and consult with the Head of Finance, prior to the finalisation of any related party transaction. The register of Related Parties shall be kept by the Head of Finance and the Corporate Administrator shall update the Group on the latest Directors and Major Shareholders' interest on quarterly basis;
- (ii) Before entering into a commercial contract/ agreement / transaction, the originator / buyer must identify and check for RRPT element and contract value, and to obtain verification from Head of Finance, where necessary. If it is RRPT, to notify and furnish the contract / agreement / transaction to the Head of Finance ;
- (iii) The management of the Coraza Group is cognisant that all RRPTs are required to be undertaken on an arm's length basis and on normal commercial terms. At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine if the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of produces/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the terms of the transactions will be determined by Coraza Group based on usual business practices of the Group to ensure that the RRPTs are not detrimental to Coraza or the Group;
- (iv) All RRPTs are subject to the approval of the appropriate limit of authority as determined by the Group Chief Executive Officer / Managing Director. Currently, the RRPT which is below RM500,000 in value for each transaction will be approved by any one (1) of Executive Director (not being a Related Party or is a person connected to the Related Party). Where the RRPT which is equal or more than RM500,000 in value for each transaction, it will be reviewed by Audit Committee and recommended to the Board for approval;
- (v) If a member of the Board or of the Audit Committee has an interest, as the case may be, he/she shall declare their interest in transaction and abstain from any decision making by the Board or Audit Committee in respect of the said transactions;
- (vi) Records will be maintained by the Head of Finance to capture all RRPTs;
- (vii) The Audit Committee shall review on a quarterly basis any related party transaction that may arise within the Company or the Group to ensure that such transactions will be carried out at arm's length, on normal commercial terms, on terms not more favourable to the Related Parties than those generally available to the public and on terms not detrimental to the minority shareholders.

## 2.6 Amount Due and Owing Under Recurrent Related Party Transactions

As at the financial year ended 31 December 2021, the amount due and owing to Coraza Group by the following party which has exceeded the credit term given arising from the RRPT(s) as per Section 2.4 are as follows :

Company Name	Credit Terms	Amount (RM)
Unigen Corporation	a period of 1 year or less	32,527

There were no interest and late payment charges imposed by Coraza Group on the overdue trade receivable as the imposition of late charges is generally not the normal practice of the Group.

The Board of Directors is of the opinion that there will be no recoverability issue for the outstanding amount owing by Unigen Corporation as Unigen Corporation is a customer with a long-standing business relationship with Coraza Group and has proven to be a creditworthy customer. The management has followed up closely with Unigen Corporation on the above-mentioned outstanding amount. As at LPD, the overdue amount owing by Unigen Corporation has been fully collected.

## 2.7 Statement by Audit Committee

The Audit Committee has reviewed the procedures as mentioned in Section 2.5 above and is of the view that:-

- (i) the said procedures as well as the periodical review to be made by the Audit Committee in relation thereto, are sufficient to ensure that the RRPTs are carried out on terms not more favourable to Related Party(ies) than those generally available to the public and are not detrimental to the minority shareholders of the Company; and
- (ii) The Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and such procedures and processes are reviewed on a yearly basis or whenever needed.

## 2.8 Disclosure of Recurrent Related Party Transactions

Disclosure will be made in the annual report of the Company in accordance with Paragraph 3.1.5 of Guidance Note 8 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs entered into during the financial year based on the following information :

- (a) the type of the RRPTs made; and
- (b) the names of the Related Parties involved in each type of the RRPTs made and their relationships with Coraza Group.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed New Shareholders' Mandate had been obtained.

### 3. RATIONALE AND BENEFITS FOR THE PROPOSED SHAREHOLDERS' MANDATE

#### (i) Rationale for the Proposed Shareholders' Mandate

The Proposed Shareholders' Ratification serves to ratify the RRPTs entered into by the Group since its Listing Date to the date of its forthcoming AGM. Given that Coraza is in its first year of listing, ratification of RRPTs entered into from the Listing Date up to its AGM allows the Company to coincide the Proposed Shareholders' Ratification and Proposed New Shareholders Mandate with its AGM and eliminate the need for separate general meetings therefore reduces expenses for the Company.

The Proposed New Shareholders' Mandate will enable the Coraza Group to carry out RRPTs necessary for the Group's day-to-day operations, which are time sensitive in nature, and will eliminate the need to announce and convene separate general meetings (if applicable) from time to time to seek shareholders' mandate for such transaction. This will substantially reduce the expenses, time and other resources associated with convening of general meetings on an ad hoc basis, improve administrative efficiency and allow financial and manpower resources to be channeled towards attaining other corporate objectives.

#### (ii) Benefits of the Proposed Shareholders' Mandate

The benefits of transacting with Related Parties as follows :

- a) The rental expenses incurred for the renting of a single storey semi-detached industrial building from Kalungan Prestij Sdn Bhd ("**Demised Property**"), for the purpose of carrying out the business of electronic components manufacturing which includes welding process of Coraza Group. The Demised Property is strategically located as it is within close proximity to some of our customers.
- b) STS specialises in providing surface finishing services such as plating, powder coating, various types surface finishing, masking, painting and polishing of metal products. STS can provide Coraza Group with the flexibility and prioritisation on the finishing services, as it located within close proximity to Coraza's factory.
- c) The sales of fabricated parts to Unigen Corporation which principally is a manufacturer of industrial-focused memory modules and storage solutions primarily for cloud computing solutions, were conducted on an arm length's basis and have expanded the revenue base of Coraza.

### 4. EFFECTS OF THE PROPOSAL

The Proposal will not have any material effect on the share capital of the Company as well as the consolidated NA, gearing, EPS and the shareholdings of the Substantial Shareholders of Coraza.

## 5. INTEREST OF DIRECTORS / MAJOR SHAREHOLDERS / PERSON CONNECTED

As at LPD, the direct and indirect interests of the Directors and/or Major Shareholders and/or person connected to Director and/or Major Shareholder of Coraza who are interested and/or do not consider themselves independent in the RRPTs are as follows :

<b>Interested Directors</b>	<b>Direct</b>	<b>%</b>	<b>Indirect</b>	<b>%</b>
Lim Teik Hoe	-	-	82,453,701*	19.25
Paul Heng Weng Seng	206,669,700	48.25	-	-

<b>Interested Major Shareholders</b>	<b>Direct</b>	<b>%</b>	<b>Indirect</b>	<b>%</b>
Lim Teik Hoe	-	-	82,453,701*	19.25
Paul Heng Weng Seng	206,669,700	48.25	-	-
Liew Sow Ying	82,453,701	19.25	-	-

<b>Person connected</b>	<b>Direct</b>	<b>%</b>	<b>Indirect</b>	<b>%</b>
Surface Technology Solutions Sdn Bhd	-	-	-	-
Armour Holdings Sdn Bhd (formerly known as Coraza Holdings Sdn Bhd)	-	-	-	-
Unigen Corporation	-	-	-	-
Kalungan Prestij Sdn Bhd	-	-	-	-

\* deemed interested by virtue of the shareholdings of his spouse pursuant to Section 59(11)(c) of the Act.

Lim Teik Hoe and Paul Heng Weng Seng (collectively referred to as “**Interested Directors**”) have and will continue to abstain from all deliberations and voting on matters relating to the Proposed Shareholders’ Mandate at the Board meetings and will abstain from voting in respect of his direct and/or indirect shareholdings in Coraza at the forthcoming AGM on the resolution pertaining to the Proposed Shareholders’ Mandate.

The Interested Major Shareholders, namely Lim Teik Hoe, Liew Sow Ying and Paul Heng Weng Seng will abstain from voting in respect of their direct and/or indirect shareholdings in Coraza at the forthcoming AGM on the resolution pertaining to the Proposed Shareholders’ Mandate.

The above Interested Directors and Interested Major Shareholders have undertaken that they shall ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution, deliberating or approving the Proposed Shareholders’ Mandate at the forthcoming AGM.

Save as disclosed above, none of the other Directors and/or Major Shareholders or persons connected with the Directors or Major Shareholders have any interest, directly or indirectly in the Proposed Shareholders’ Mandate.

## 6. APPROVALS REQUIRED

The Proposed Shareholders’ Mandate is conditional upon the approval of the shareholders of the Company being obtained at the forthcoming AGM to be convened.

## **7. DIRECTORS' RECOMMENDATION**

The Directors of Coraza (save for Lim Teik Hoe and Paul Heng Weng Seng) having considered all aspects of the Proposed Shareholders' Mandate and after careful deliberation, are of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company and accordingly, the Board (save for Lim Teik Hoe and Paul Heng Weng Seng) recommended that the shareholders of Coraza vote in favour of the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

## **8. ANNUAL GENERAL MEETING**

The ordinary resolution to vote on the Proposed Shareholders' Mandate is set out in the Notice of 1<sup>st</sup> AGM contained in the 2021 Annual Report, which is dispatched together with this Circular. The 1<sup>st</sup> AGM will be held and conducted by way of fully virtual basis through live streaming and online remote meeting platform of TIIH Online provided by Tricor Investor & Issuing House Services Sdn Bhd via its website at <https://tiih.online> or <https://tiih.com.my> (Domain Registration No. with MYNIC – D1A282781) on Friday, 27 May 2022 at 10.00a.m.

If you are unable to attend and vote in person at the 1<sup>st</sup> AGM, please complete, sign and send the enclosed Form of Proxy in accordance with the instructions therein as soon as possible in any event so as to arrive at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at Tricor's Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or can be electronically lodged with the Company's Share Registrar via TIIH Online at <https://tiih.online> not later than forty-eight (48) hours before the time fixed for holding the 1<sup>st</sup> AGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting at the 1<sup>st</sup> AGM should you subsequently wish to do so.

## **9. FURTHER INFORMATION**

Shareholders are requested to refer to Appendix I contained in this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of  
**CORAZA INTEGRATED TECHNOLOGY BERHAD**

**NG HONG KIAT @ NG HAN KIAT**  
*Independent Non-Executive Deputy Chairman*



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## APPENDIX I – FURTHER INFORMATION

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### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of Coraza who individually and collectively accept full responsibility for the accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or incorrect.

### 2. MATERIAL CONTRACTS

Save as disclosed below, Coraza and its subsidiary have not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the two (2) years immediately preceding the date of this Circular:

- (a) Sale and purchase agreement dated 30 December 2020 between CSM and Armour Holdings Sdn Bhd (formerly known as Coraza Holdings Sdn Bhd) for the disposal of a piece of industrial land held under GM1536, Lot 4093, Mukim 07, Jalan Bukit Panchor, Daerah Seberang Perai Selatan, Negeri Pulau Pinang bearing assessment address at 14, Lorong Industri 5, Kawasan Industri Bukit Panchor, 14300 Nibong Tebal, Seberang Perai Selatan, Pulau Pinang together with 1½- storey detached factory erected thereon for a cash consideration of RM2,800,000, which was completed on 30 December 2020;
- (b) Purchase order dated 5 February 2021 from CSM to Alam Setia Bina Sdn Bhd for expansion of our existing factory at a contract value of RM840,000, which was completed in September 2021;
- (c) Purchase order dated 25 February 2021 from CSM to Alam Setia Bina Sdn Bhd for the construction of firewall at Coraza's existing factory at a contract value of RM152,483.67, which was completed in June 2021;
- (d) Share purchase agreement dated 8 June 2021 between Coraza and Armour Holdings Sdn Bhd (formerly known as Coraza Holdings Sdn Bhd) for the acquisition by Coraza of the entire equity interest of CSM from Armour Holdings Sdn Bhd (formerly known as Coraza Holdings Sdn Bhd) for a purchase consideration of RM29,252,868 which was wholly satisfied by the issuance of 310,540,000 new ordinary shares in Coraza at an issue price of RM0.0942 per share, which was completed on 19 November 2021;
- (e) Purchase order dated 11 August 2021 from CSM to Alam Setia Bina Sdn Bhd for the installation of fire insulation roller shutters at Coraza's existing factory at a contract value of RM309,431.82, which was completed in January 2022.;
- (f) Purchase order dated 1 October 2021 from CSM to Alam Setia Bina Sdn Bhd for the construction of a drainage system on site detention at Coraza's existing factory at a contact value of RM165,000.00, which was completed on 16 November 2021;
- (g) Purchase order dated 6 October 2021 from CSM to Alam Setia Bina Sdn Bhd to carry out concrete pavement and road resurfacing at Coraza's existing factory at a contract value of RM233,000.00, which was completed in November 2021; and

- (h) Underwriting agreement dated 30 November 2021 between Coraza and M&A Securities Sdn Bhd for the underwriting of 42,833,100 new ordinary shares issued under public issue (“**Issue Shares**”) for an underwriting commission of 3.0% of the issue price of RM0.28 per share multiplied by the number of Issue Shares underwritten.

### **3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION**

As at LPD, Coraza Group is not engaged in any material litigation, claims and/or arbitration either as plaintiff or defendant, which may have a material effect on the financial position or business of the Group and the Board is not aware of any proceeding which is pending or threatened against Coraza Group, or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Group.

### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection by the shareholders of Coraza at the Registered Office of Coraza at 48, Jalan Chow Thye, 10050 George Town Pulau Pinang during normal office hours between Monday and Friday (except public holidays) from the date of this Circular up to and including the date of the AGM:

- (i) Constitution;
- (ii) The material contracts referred to in Section 2 of this Appendix I;
- (iii) The audited financial statements of CSM for the past two (2) financial year ended 31 December 2020 and 31 December 2021; and
- (iv) The unaudited consolidated financial results of Coraza for the quarter ended 31 December 2021.

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