

**PECCA GROUP BERHAD**  
Registration No. 201001025617 (909531-D)

**MINUTES OF THE THIRTEENTH ANNUAL GENERAL MEETING OF THE COMPANY  
HELD AT GREENS III, SPORTS WING, LEVEL 1, TROPICANA GOLF & COUNTRY  
RESORTS, JALAN KELAB TROPICANA, 47410 PETALING JAYA, SELANGOR DARUL  
EHSAN ON THURSDAY, 16 NOVEMBER 2023 AT 10.00 A.M.**

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PRESENT:

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**DIRECTORS**

Dato' Mohamed Suffian Bin Awang - Chairman, also a Shareholder and a proxy for Shareholders as set out in the Attendance Summary attached

Datuk Teoh Hwa Cheng - Also a Shareholder

Datin Sam Yin Thing - Also a Shareholder

Mr Teoh Zi Yi - Also a Shareholder

Datuk Leong Kam Weng - Also a Shareholder

Ms Teoh Zi Yuen

Dato' Dr Norhizan Bin Ismail

**IN ATTENDANCE:**

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Ms Tai Yuen Ling - Company Secretary

**BY INVITATION:**

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As Per Attendance List

The list of shareholders and proxies who attended the Meeting is set out in the Attendance Lists attached and shall form an integral part of this Minutes.

**1. CHAIRMAN**

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The Chairman, Dato' Mohamed Suffian Bin Awang, extended a warm welcome to the shareholders and proxies ("Participants") present at the Company's Thirteenth Annual General Meeting ("13<sup>th</sup> AGM").

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**2. NOTICE**  
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The Participants noted that the Company had, on 18 October 2023, issued the Notice of the 13<sup>th</sup> AGM. The Notice of the Meeting, having been circulated within the stipulated time frame, was taken as read.

**3. INTRODUCTION OF BOARD MEMBERS**  
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The Participants was informed that the Board of Directors, Company Secretary, Senior Management Team and the representative of the External Auditors were present at the Meeting. The Chairman then introduced the Board of Directors, Company Secretary and Senior Management Team.

**4. QUORUM AND SUMMARY OF PROXIES RECEIVED**  
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The Company Secretary informed that the Company had received in total Fifty-Five (55) proxy forms from the shareholders for a total of Five Hundred and Twenty-Two Million Sixty Thousand Four Hundred and Forty (522,060,440) shares, representing 69.42% of the issued share capital of the Company.

Out of those, there were Twenty-One (21) shareholders who had appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented stood at Four Hundred and Ninety-One Million Seven Hundred Six Thousand Five Hundred and Four (491,706,504) which represent 65.39% of the issued share capital of the Company.

The Chairman confirmed that a quorum was present. With the requisite quorum being present, the Meeting was called to order at 10.05 a.m.

**5. POLLING**  
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The Participants noted that all the resolutions set out in the Notice of the 13<sup>th</sup> AGM must be voted by poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The Company is also required to appoint at least one scrutineer to validate the votes cast at the general meeting. Accordingly, the Chairman directed that all the resolutions set forth in the Notice of the 13<sup>th</sup> AGM be conducted by way of electronic polling.

The Chairman also informed that the Company has appointed Boardroom Share Registrars Sdn Bhd as the Poll Administrator to conduct the poll voting by way of electronic voting (“e-Voting”) and Sky Corporate Services Sdn Bhd as the independent scrutineer to verify the poll results. The voting on all resolutions will be conducted after the Meeting has deliberated on all items on the agenda.

## **6. PRESENTATION BY THE EXECUTIVE DIRECTORS, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

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At the invitation of the Chairman, the Executive Directors, Mr Hugo Teoh Zi Yi (“Mr Hugo”) and Ms Kelly Teoh Zi Yuen (“Ms Kelly”); the Chief Executive Officer, Mr Foo Ken Nee (“Mr Foo”), and the Chief Financial Officer, Ms Yeo Bee Hwan (“Ms Yeo”), gave an overview of the Financial and Business prospects of the Company.

The following topics were presented to the Meeting:

1. Company Overview
2. Financial Review
3. Outlook & Strategy
4. Investment Highlights

### Company Overview

Mr Foo presented the overview of the Group corporate structure, businesses and milestones.

Pecca Group has three key areas of focus, i.e. Automotive led by Pecca Leather Sdn Bhd, Aviation led by Pecca Aviation Services Sdn Bhd, and Healthcare & Medical which is under Pecca Leather Sdn Bhd.

Mr Foo highlighted the milestones and key achievements of Pecca Group since it was established in 2000. In 2004, the Company obtained an original equipment manufacturer (“OEM”) licence to enter into OEM activities with car manufacturers which remain its core business. In 2009, the aviation business was established.

In 2016, the Company was listed on the Main Board, and in the following year, it obtained the Civil Aviation Authority of Malaysia (“CAAM”) licence which enabled the Company to undertake servicing and Maintenance, Repair and Overhaul (“MRO”) activities for Malaysia-registered aircraft. The Company entered into the business of manufacturing facemasks and other healthcare products in 2020, and also set up two new entities in 2022 to expand into the electric vehicles related businesses.

In 2023, it obtained the European Union Aviation Safety Agency (“EASA”) licence – the first in Malaysia and Southeast Asia – which enabled it to supply upholstery seat covers for

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European-registered aircraft. In the same year, the Company finalised the acquisition of 80% of PT Gemilang Maju Kencana to enter into the Indonesian market.

Mr Foo next presented the key highlights of FY 2023:

- Four quarters of incremental growth in Net Profit.
- Historical Record Revenue and Production Record. Since its listing, the Group has achieved historical highs in revenue and profit.
- Dividend Payout of 50.1% of Total Profit Attributable to Owners of the Company.

The Company has expertise in automotive upholstery, and its businesses comprise the OEM, Pre-delivery Inspection (“PDI”) and Replacement Equipment Manufacturer (“REM”) segments, i.e. across the vehicle lifecycle, with an international client base. Its customers include the majority of the car manufacturers in Malaysia including Perodua which contributes 65.7% to the Group’s revenue and which the Company has served for over a decade.

### FY 2023 Financial Review

Ms Yeo presented the FY 2023 financial review of the Group.

She highlighted that the Group revenue had risen by 35% from FY 2022, reaching a historical high for the third consecutive year, due to strong customer demand. The higher revenue and improved operational efficiency, as well as lower labour cost, had driven a 55% increase in Profit After Tax to RM35.43 million in FY 2023 from RM22.84 million in FY 2022, as well as improvements in the Net Profit Margin and Earnings Per Share over the same period last financial year.

Below is a summary of the financial performance of the Group, comparing FY 2023 to FY 2022:

	FY 2023	FY 2022	
REVENUE (in RM million)	221.26	164.39	+35%
PBT (in RM million)	46.95	29.29	+60%
PAT (in RM million)	35.43	22.84	+55%
NP MARGIN	16.0%	13.9%	+15%
EPS	4.71 sen	3.07 sen	+53%

Ms Yeo next highlighted the Group Revenue Mix. Based on strong customer demand, the OEM contribution had improved significantly to 75.2% in FY 2023 as compared to 63.8% in FY 2022. The other segments reported moderate improvements except for the Healthcare segment which declined from 10% to 1.4% due to the Government’s policy on the relaxation of face mask usage.

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In the car seat covers sub segment, the OEM segment had expanded to 85.7% in FY 2023 as compared to 82.5% in FY 2022.

In terms of Revenue Mix by Brands, Perodua contributed the highest sales at 65.7% in FY 2023 compared to 56.9% in FY 2022. The second highest contributor was Toyota at 13.4% in FY 2023 as compared to 9.8% in FY 2022. The contributions of the other brands showed modest improvements except for Mitsubishi.

Ms Yeo then presented the Net Profit growth, and highlighted the Net Profit Compound Annual Growth Rate of 16.3% from FY 2019 to FY 2023. The Net Profit had risen from RM131.4 million in FY 2019 to RM221.3 million in FY 2023, showing growth every year except for 2020. The Net Profit Margin had risen from 13% in FY 2019 to 16% in FY 2023.

### Outlook & Strategy

Mr Hugo presented the Outlook & Strategy for the Pecca Group.

He highlighted that in the near term outlook, Malaysia is on track for a record Total Industry Volume (“TIV”) of 725,000 units, of which Perodua sales will contribute a record high of 345,000 units.

Mr Hugo next explained the Company’s goals categorised into four pillars, as follows:

#### *Pillar 1 – Expanding OEM business*

The Company intended to focus on its existing OEM customers as well as to expand into the luxury market such as Mercedes and Porsche. In view of this, it is taking a significant step to expand its production capacity by building a second plant in the UMW High Value Manufacturing Park. The new plant is expected to commence operations in the middle of 2025.

#### *Pillar 2 – Increasing REM sales*

Initiatives are being taken to expand REM globally and locally across Malaysia, with the expansion of the sales team. The Company has also actively participated in the Dubai Automotive Show and SEMA Show in Las Vegas in November 2023.

#### *Pillar 3 – Aviation*

The Company has achieved significant milestones in securing the EASA in April 2023, as well as signing MoUs with Aero Cabin Solutions (ACS) and Global Component Asia (GCA). Following this, the Company has secured its first orders for European aircraft seat covers, and expect further opportunities to supply government defence aircraft and commercial aircraft.

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*Pillar 4 – New Business & Electric Vehicles (“EV”)*

The Company is targeting new businesses, Tier-1 and the EV market, including through a wider product portfolio to tap the growing Indonesian market via PT Gemilang Maju Kencana.

Investment Highlights

Ms Kelly presented the Investment Highlights for the Pecca Group.

She first briefed on the Shareholders’ Wealth Creation, highlighting the Dividend Payout and Dividend Payout Ratio. She informed that in FY 2023, the Company distributed 2.4 sen dividend per share which translated into a 50.1% payout ratio.

While the payout ratio was lower than previous years, the value of the dividends has, however, increased due to the steady increase in the Profit After Tax. The dividend payout in FY 2023 was RM17.74 million which is the highest since the IPO. Further, Pecca has also maintained a payout ratio of over 50% every year, exceeding its dividend policy of 40%.

Ms Kelly next highlighted the market capitalisation and cash position. The market capitalisation was RM910 million as at 14 November 2023, which was three times higher than the market capitalisation during the IPO in 2016. The cash position remained strong at RM111.23 million in FY 2023.

She then presented the recent positive analysts’ coverage as well as the awards and achievements including The Edge Malaysia’s Centurion Club Corporate Awards 2022 for the Highest Returns to Shareholders over Three Years.

Following the briefing, the Chairman thanked the presenters for the briefing on the Financial and Business prospects of the Company. The Meeting then proceeded with the next Agenda item.

**7. QUESTION AND ANSWER SESSION WITH THE MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”)**

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The Chairman informed that the Company had received a letter from the MSWG seeking clarification/information on several issues in relation to the operational and financial matters.

Thereafter, the Chairman invited Ms Kelly and Mr Hugo to present the questions and answers, details as set out in “**Appendix A**” attached herein.

**8. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

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The Chairman informed the Participants that the first item on the Agenda was to receive the Audited Financial Statements for the FYE 30 June 2023 together with the Reports of the Directors and Auditors thereon.

The Audited Financial Statements for the FYE 30 June 2023 together with the Reports of the Directors and Auditors, having been circulated within the prescribed period, were with the permission of the Meeting, taken as read.

The Chairman informed that the Audited Financial Statements for the FYE ended 30 June 2023 were meant for discussion only as the provision of Section 340 of the Companies Act, 2016 (“the Act”) does not require formal approval of shareholders. Hence, they will not be put for voting.

The Chairman next invited questions from the Participants on the Audited Financial Statements for the FYE ended 30 June 2023.

There being no questions, the Participants noted that the Audited Financial Statements for the FYE ended 30 June 2023 have been duly received by the shareholders and proxy holders.

The Meeting proceeded to the next Agenda item.

**9. DIRECTORS' FEES AND BENEFIT PAYABLE**  
*- Ordinary Resolution 1*

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The Chairman informed that Ordinary Resolution 1 was to approve the payment of Directors’ Fees and benefit payable to the Directors of the Company and its subsidiaries of up to Ringgit Malaysia Three Hundred and Thirty Thousand (RM330,000.00) for the period from 17 November 2023 until the conclusion of the next AGM of the Company.

The Chairman next invited questions from the Participants on Ordinary Resolution 1.

There being no questions, the Meeting proceeded to the next Agenda item.

**10. RE-ELECTION OF DIRECTOR – MR TEOH ZI YI**

*- Ordinary Resolution 2*

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The Chairman informed that Ordinary Resolution 2 was to re-elect Mr Teoh Zi Yi who retires pursuant to Clause 97 of the Company's Constitution and Mr Teoh Zi Yi, being eligible, has offered himself for re-election.

The Chairman next invited questions from the Participants on Ordinary Resolution 2.

There being no questions, the Meeting proceeded to the next Agenda item.

**11. RE-ELECTION OF DIRECTOR – MS TEOH ZI YUEN**

*- Ordinary Resolution 3*

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The Chairman informed that Ordinary Resolution 3 was to re-elect Ms Teoh Zi Yuen who retires pursuant to Clause 97 of the Company's Constitution and Ms Teoh Zi Yuen, being eligible, has offered herself for re-election.

The Chairman next invited questions from the Participants on Ordinary Resolution 3.

There being no questions, the Meeting proceeded to the next Agenda item.

**12. RE-APPOINTMENT OF AUDITORS**

*- Ordinary Resolution 4*

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The Chairman informed that Ordinary Resolution 4 was to re-appoint Messrs. Crowe Malaysia PLT as the External Auditors of the Company for the ensuing year until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. The retiring Auditors, Messrs Crowe Malaysia PLT, has indicated their willingness to continue to act as External Auditors of the Company.

The Chairman next invited questions from the Participants on Ordinary Resolution 4.

There being no questions, the Meeting proceeded to the next Agenda item.



**13. CONTINUATION IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR – DATO’ MOHAMED SUFFIAN BIN AWANG**

*- Ordinary Resolution 5*

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Having concluded in ordinary business of the 13<sup>th</sup> AGM, the Chairman informed the meeting shall move on to Special Business in the Agenda.

Dato’ Mohamed Suffian Bin Awang (“Dato’ Suffian”) invited Datuk Leong Kam Weng (“Datuk Leong”) to take over the Chair as he is an interested party to Ordinary Resolution 5.

Datuk Leong took the Chair. He informed that Ordinary Resolution 5 is to seek shareholders’ approval for the continuation in office by Dato’ Mohamed Suffian Bin Awang as an Independent Non-Executive Director. Details of this resolution including the rationale have been set out in the notice of the AGM dated 18 October 2023.

Datuk Leong also informed the Participants that Dato’ Mohamed Suffian Bin Awang had abstained and will abstain from deliberating or approving his continuation in office.

The Participants took note that pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance, shareholders’ approval will be sought through a two-tier voting process for Dato’ Mohamed Suffian Bin Awang to continue to serve on the Board as an Independent Director as he will serve as an Independent Director on the Board for a cumulative term of nine (9) years on 26 December 2023. The voting will be cast in the following manner:

- Tier 1: Only the Large Shareholder of the Company votes; and
- Tier 2: Shareholders other than the Large Shareholder votes.

Datuk Leong next invited questions from the Participants on Ordinary Resolution 5.

Mr Dinesh Kumar A/L Bachulal (“Mr Dinesh”) (Proxy holder) raised a question on the duration of service of Dato’ Suffian and Datuk Leong, both having served almost nine years. He commented that new Board members should be appointed for fresh ideas, and to avoid the impression of “yes men”.

Pecca’s response was presented by Datuk Leong who commented that there has to be a balance between experience and familiarity. Long-serving directors are familiar with the business and its past performance, and are able to guide its performance in the future. Further, he commented that the Board comprises a mix of old and new, and highlighted the appointment of Dato’ Dr. Norhizan Bin Ismail, a retired senior civil servant, who has contributed to the diversity of the Board with his different experience.

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Datuk Leong stated that the Board members were professionals in their respective fields. Dato' Suffian is a highly respected corporate figure who serves on many different organisations. As for himself, Datuk Leong serves on four other Boards as well.

Lastly, Datuk Leong gave an assurance to shareholders that the Board is mindful about the need for balance. He also emphasised that the law permitted long-serving directors, on the condition that the company's interests are safeguarded.

Mr Dinesh further queried about the additional number of years that the Board's Independent Directors intended to serve. In response, Datuk Leong explained that according to the Chapter 1 of the Main Market Listing Requirements of Bursa Securities, an Independent Director is one who has not served an Independent Director for a cumulative period of more than 12 years from the date of his first appointment as an Independent Director.

Mr Foo also presented a response to Mr Dinesh. He commented that the key management team worked closely with the Board on the expansion and diversification of the Group, to leverage on the Board's expertise and knowledge of the industry and the risk components. He added that the close working relationship has enabled the Company to achieve new historical highs in revenue and profit every year except for 2020.

There being no further questions, Datuk Leong handed back the Chair to Dato' Suffian. The Meeting then proceeded to the next Agenda item.

**14. CONTINUATION IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR – DATUK LEONG KAM WENG**

*- Ordinary Resolution 6*

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The Chairman informed that Ordinary Resolution 6 was to obtain the shareholders' approval for the continuation in office by Datuk Leong Kam Weng as an Independent Non-Executive Director. The details of the resolution including the rationale have been set out in the notice of the AGM dated 18 October 2023.

The Chairman further informed that Datuk Leong Kam Weng had abstained, and will continue to abstain from deliberating or approving his continuation in office.

The Participants took note that pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance, shareholders' approval will be sought through a two-tier voting process for Datuk Leong Kam Weng to continue to serve on the Board as an Independent Director as he will serve as an Independent Director on the Board for a cumulative term of nine (9) years on 26 December 2023. The voting will be cast in the following manner:

- Tier 1: Only the Large Shareholder of the Company votes; and

- Tier 2: Shareholders other than the Large Shareholder votes.

The Chairman next invited questions from the Participants on Ordinary Resolution 6.

There being no questions, the Meeting proceeded to the next Agenda item.

**15. PROPOSED RENEWAL OF AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES**

*- Ordinary Resolution 7*

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The Chairman informed that Ordinary Resolution 7 was to obtain the shareholders' approval for the Directors to allot and issue new shares when necessary, up to a maximum amount of 10% of the total number of issued shares of the Company.

The Chairman stated that pursuant to Section 85 of the Act, read together with Clause 58 of the Constitution of the Company, the resolution was also to seek shareholders' approval to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued Pecca shares arising from any issuance of new shares pursuant to Section 76 of the Act. He explained that this will eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares.

The Chairman next invited questions from the Participants on Ordinary Resolution 7.

Mr Dinesh (Proxy holder) presented his comments that the Board should only consider new investments if these would add value to the Group, and not negatively affect the share price or dividend. The Chairman thanked Mr Dinesh for his comments.

Mr Ooi Cheng Kooi (Shareholder) raised a question. He wished to know about the manufacturing process of the car seat covers, in particular if the leather was in one whole piece or cut pieces, as well as the services provided by the Company. He also suggested that the Company looks into car seat cover products which car owners can instal on a Do It Yourself ("DIY") basis in their vehicles.

Mr Foo responded that the car seat cover products cover the entire car seat, and invited Mr Ooi to utilise the door gift voucher for a special price for upholstery in order to assess the product quality. As for the OEM services, he explained that the upholstered seats are produced for First Tier customers which supply to the car manufacturers. The Company also has leather seat cover products for customers who wished to upgrade to leather seats, and for customers who wished to repair their car seats.

The Chairman thanked Mr Ooi for his suggestion for the new product, and commented that this can be considered.

There being no further questions, the Meeting proceeded to the next Agenda item.

**16. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

*- Ordinary Resolution 8*

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The Chairman informed that Ordinary Resolution 8 is to obtain shareholders' approval for the proposed renewal of authority for the Company to purchase its own ordinary shares not exceeding 10% of the total number of issued shares of the Company at any point in time of purchase. The details for the share buy-back are set out in the Statement to Shareholders dated 18 October 2023.

The Chairman next invited questions from the Participants on Ordinary Resolution 8.

There being no questions, the Meeting proceeded to the next Agenda item.

**17. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

*- Ordinary Resolution 9*

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The Chairman informed that Ordinary Resolution 9 was to seek approval from the shareholders on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT"). The details of the RRPT are set out in the Circular to Shareholders dated 18 October 2023.

The Participants was informed that the interested Directors and major shareholders in these transactions, namely Datuk Teoh Hwa Cheng, Datin Sam Yin Thing, Mr Teoh Zi Yi and Ms Teoh Zi Yuen and MRZ Leather Holdings Sdn Bhd and the persons connected to them as set out in Section 2.3 of the Circular to Shareholders will abstain from voting on this resolution.

The Chairman next invited questions from the Participants on Ordinary Resolution 9.

There being no questions, the Meeting proceeded to the next Agenda item.

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**18. ANY OTHER BUSINESS**  
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The Chairman informed that the Company has not received any notice to deal with any other business for which due notice is required to be given, pursuant to the Act.

**19. VOTING**  
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The Meeting proceeded to voting on the above resolutions via e-Voting. The Chairman directed that the registration of the shareholders and proxies for this Meeting is now closed.

The Chairman then invited the representative of Boardroom Share Registrars Sdn Bhd, the Poll Administrators, to brief on the polling procedure.

After the briefing, the Chairman placed on record that several shareholders have appointed him to be their proxy and he will vote according to their instructions. He also informed that the Meeting will now be adjourned at 11.10 a.m. to enable the poll administrators and scrutineers to conduct the voting. The Meeting will resume in 25 minutes once the results are ready for the declaration of voting results.

**POLL RESULTS**

The Chairman called the Meeting to order at 11.30 a.m., and invited the Scrutineer to present the results of the poll for all the resolutions, as follows:-

Resolutions	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
<b>Ordinary Resolution 1</b>  To approve the payment of Directors' fees and benefit payable to the Directors of the Company and its subsidiary of up to RM330,000.00 from 17 November 2023 until the conclusion of the next AGM of the Company.	522,513,443	100.0000	22	0.0000
<b>Ordinary Resolution 2</b>  To re-elect Teoh Zi Yi who is to retire pursuant to Clause 97 of the Company's Constitution and being	522,513,443	100.0000	22	0.0000

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eligible, has offered himself for re-election.				
<b>Ordinary Resolution 3</b>  To re-elect Teoh Zi Yuen who is to retire pursuant to Clause 97 of the Company's Constitution and being eligible, has offered herself for re-election.	522,513,443	100.0000	22	0.0000
<b>Ordinary Resolution 4</b>  To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	522,513,443	100.0000	22	0.0000
<b>FIRST TIERS Ordinary Resolution 5</b>  Continuing in Office as an Independent Non-Executive Director – Dato' Mohamed Suffian Bin Awang	373,075,532	100.0000	0	0.0000
<b>SECOND TIERS Ordinary Resolution 5</b>  Continuing in Office as an Independent Non-Executive Director – Dato' Mohamed Suffian Bin Awang	149,001,711	99.9994	858	0.0006
<b>FIRST TIERS Ordinary Resolution 6</b>  Continuing in Office as an Independent Non-Executive Director – Datuk Leong Kam Weng	373,075,532	100.0000	0	0.0000
<b>SECOND TIERS Ordinary Resolution 6</b>	149,280,411	99.9986	2,158	0.0014

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Continuing in Office as an Independent Non-Executive Director – Datuk Leong Kam Weng				
<b>Ordinary Resolution 7</b> Authority under Section 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares.	522,511,707	99.9997	1,758	0.0003
<b>Ordinary Resolution 8</b> Proposed Renewal of Authority to the Company to Purchase its own Ordinary Shares.	522,513,443	100.0000	22	0.0000
<b>Ordinary Resolution 9</b> Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	92,669,951	100.0000	22	0.0000

Based on the results of the poll voting, the Chairman declared the following resolutions as **CARRIED:-**

**RESOLUTION 1**

“That the payment of Directors’ Fees and benefit payable to the Directors of the Company and its subsidiary of up to RM330,000.00 from 17 November 2023 until the conclusion of the next AGM of the Company be and is hereby approved.”

**RESOLUTION 2**

“That Teoh Zi Yi be and is hereby re-elected as Director of the Company.”

**RESOLUTION 3**

“That Teoh Zi Yuen be and is hereby re-elected as Director of the Company.”

**RESOLUTION 4**

“That the retiring Auditors, Messrs. Crowe Malaysia PLT, having signified their consent to act, be and is hereby re-appointed as Auditors at a fee to be fixed by the Directors.”

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**RESOLUTION 5**

“That the authority be and is hereby given to Dato’ Mohamed Suffian Bin Awang, who will serve as an Independent Non-Executive Director for a cumulative term of nine (9) years on 26 December 2023, to continue to act as an Independent Non-Executive Director of the Company.”

**RESOLUTION 6**

“That the authority be and is hereby given to Datuk Leong Kam Weng, who will serve as an Independent Non-Executive Director for a cumulative term of nine (9) years on 26 December 2023, to continue to act as an Independent Non-Executive Director of the Company.”

**RESOLUTION 7**

“That pursuant to Section 75 and 76 of the Act, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at the time of issue, subject to the Constitution of the Company and approval of all the relevant regulatory bodies being obtained for such allotment and issue.

That pursuant to Section 85 of the Act, read together with Clause 58 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued Pecca shares arising from issuance of new shares pursuant to this mandate.

And that the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”

**RESOLUTION 8**

“That subject to the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to utilise an amount not exceeding the audited retained profits as at 30 June 2023 to purchase such amount of ordinary shares in the Company (“Proposed Renewal of Share Buy-Back Authority”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company.



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That an amount not exceeding the Company's retained profits be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority.

That authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either retain the shares so purchased as treasury shares (as defined in Section 127 of the Act) and/or to cancel the shares so purchased and if retained as treasury shares, may resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them.

That the authority conferred by this resolution will be effective immediately upon the passing of this resolution and will expire at:-

- i. the conclusion of the next AGM of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;
- ii. the expiration of the period within which the next AGM of the Company is required by law to be held; or
- iii. revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

And that the Directors of the Company be authorised to take all necessary steps to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Share Buy-Back Authority as may be agreed or allowed by any relevant governmental and/or regulatory authority.”

**RESOLUTION 9**

“That approval be and is hereby given to the Company, to enter and give effect to the recurrent related party transactions of a revenue or trading nature (hereinafter to be referred to as “Recurrent Transactions”) with the related party as stated in Section 2.3 of the Circular to Shareholders dated 18 October 2023 which are necessary for the Company's day-to-day operations subject further to the following:

- i. the Recurrent Transactions contemplated are in the ordinary course of business and on terms which are not more favourable to related party than those generally available to the public, and are not to the detriment of the minority shareholders;
- ii. the approval is subject to annual renewal and shall only continue to be in force until:
  - a. the conclusion of the next AGM of the Company following the forthcoming AGM of the Company at which the Proposed Renewal of Shareholders' Mandate is approved, at which time it will lapse unless by a resolution passed at the AGM the mandate is again renewed;

**PECCA GROUP BERHAD**

Registration No. 201001025617 (909531-D)

- Minutes of the 13th Annual General Meeting held on 16 November 2023

- b. the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions 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; and

- iii. the disclosure of the breakdown of the aggregate value of the Recurrent Transactions conducted pursuant to the Proposed Renewal of Shareholders’ Mandate in the Annual Report of the Company based on the following information:
  - a. the type of Recurrent Transactions entered into; and
  - b. the name of the related party involved in each type of the Recurrent Transactions entered into and its relationship with the Company.

And that the Directors of the Company be and are hereby authorised to do all acts and things to give full effect to the Recurrent Transactions contemplated and/or authorised by this resolution, as the Directors of the Company, in their absolute discretion, deem fit.”

**20. CONCLUSION**

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There being no other business to be transacted, the Meeting concluded at 11.32 a.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

-SIGNED-

.....  
CHAIRMAN

**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD – QUESTIONS AND ANSWERS**

**Operational & Financial Matters**

1. In view of the Group's aspirations in the OEM business, Pecca will construct the second manufacturing plant in Serendah, Selangor. The second plant will effectively double its production capacity and help Pecca meet the increased production volume requirements for the localisation program. (page 27 of Annual Report (AR) 2023)

(a) What is the progress of the second plant? Is it still on track for completion by the end of 2023?

We have confirmed the appointment of the contractor for the second plant and the submission of documents to the relevant authority is on-going.

The completion date is expected tentatively by Q2-2025.

(b) When do you expect this plant to start operations?

The commencement date for the operation at second plant is tentatively schedule in the mid of 2025.

(c) How much has the Group spent on this plant so far?

The expenses incurred by the Group on this plant is merely the architect drawing and submission fees to the relevant authorities at this stage which totalled to approximately RM200,000.00.

(d) What is the budgeted capex for FY2024?

These are estimates only and may change depending on final quotation and variation orders and it excludes the cost for the interior design:

	RM'000
Construction cost	30,000
Purchase of new machineries	10,000
Working capital	10,000

2. While the aviation segment delivered only a small amount of revenue in FY2023, the Management is confident that this segment's revenue contribution will increase significantly, and that the aviation segment will grow into a key revenue and profit contributor for the Group. (page 34 of AR 2023)

- (a) What are the Group's short and medium-term targets (e.g., revenue, profitability, market share etc.) for the aviation segment?

The aviation business has a unique gestation period before demand and revenue pick up. It requires building of awareness, branding, credibility, and confidence with aircraft operators. To achieve these, we will enhance our marketing activities further by participating in more aviation conferences and airshows globally to expose our products and services to potential customers globally.

With the EASA certificate obtained from the European Union Aviation Safety Agency ("EASA"), it enables Pecca to service and supply upholstery seat covers to European-registered aircraft, which it is expected to contribute positively to the growth of aviation segment.

Our current pipeline indicates an estimated double up of the revenue for aviation segment for FY 2024, mainly focusing on aircraft upholstery seat covers.

- (b) What are the key challenges that you foresee and what are your strategies to overcome them?

As a Malaysian producer, we are well-positioned to provide services to global customers in terms of price, quality, and geographical location. However, this industry's key challenges revolve around the timing to secure business qualifications and certifications to meet authorities' and end customers' audit requirements. To overcome these challenges and build a strong and stable customer base, we have identified and collaborated with two potential business partners who have capabilities and specialisations in other markets such as commercial aircraft and defence sectors. These business collaborations will expedite our penetration into different markets both local and globally while we continuing to build additional capabilities to secure more approvals with aviation authorities globally.

As at to-date, we had already signed the following Memorandum of Understanding ("MOU") :-

On 23 May 2023, Pecca Aviation Services Sdn Bhd ("Pecca Aviation") entered into a MOU with Global Component Asia Sdn Bhd ("GCA"). The collaboration with GCA will provide Pecca Aviation to tap into the civil and military aircraft market and increase its market penetration in Southeast Asia and Australasia, via the collaboration with GCA.

On 26 July 2023, Pecca Aviation signed another MOU with Aero Cabin Solutions SAS ("ACS") to explore business opportunities in the area of commercial aircraft upholstery and related aircraft interior support services for the Asia Pacific market.

3. The healthcare business contributed revenue of RM3.1 million in FY2023, down 81% from RM16.4 million in FY2022. Considering the marked slowdown in mask demand, the Group recognized an impairment loss of RM2 million for its mask production machines and RM0.75 million write-down on the value of raw materials in its inventory. (page 34 of AR 2023)

(a) Does the Group expect further impairment losses and inventories write-down in FY2024?

We will continue to monitor the market scenario if any further impairment losses and inventories write-down are required in FY 2024.

(b) The carrying value of receivables for the healthcare segment was RM5.32 million at the end of FY2023 (page 152 of AR 2023). How much of these receivables are from related parties? How long have these receivables been overdue?

These receivables are from one related party.

Our core business remain strong and these overdue receivables within a year are relatively small and manageable.

#### **Corporate Governance Matters**

4. Practice 1.4 of the Malaysian Code of Corporate Governance stipulates that the Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee. For FY2023, The Chairman of the Board, Dato' Mohamed Suffian Bin Awang is also the Chairman of the Nomination Committee and Member of Audit and Risk Management Committee and Remuneration Committee of the Company. Does the Company intend to apply Practice 1.4, and if yes, by when?

We noted on the comment and will contemplate complying in the near future.

-End-