

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

**MINUTES OF THE FOURTEENTH ANNUAL GENERAL MEETING OF THE COMPANY
HELD AT BALLROOM I, MAIN WING, LEVEL 1, TROPICANA GOLF & COUNTRY
RESORTS, JALAN KELAB TROPICANA, 47410 PETALING JAYA, SELANGOR DARUL
EHSAN ON THURSDAY, 21 NOVEMBER 2024 AT 10.00 A.M.**

PRESENT:

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:

Ms Tai Yuen Ling - Company Secretary

BY INVITATION:

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

The Chairman, Dato' Mohamed Suffian Bin Awang, extended a warm welcome to the shareholders and proxies ("Participants") present at the Company's Fourteenth Annual General Meeting ("14th AGM").

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2. NOTICE

The Participants noted that the Company had, on 23 October 2024, issued the Notice of the 14th AGM. The Notice of the Meeting, having been circulated within the stipulated time frame, was taken as read.

3. INTRODUCTION OF BOARD MEMBERS

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

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.

The Company Secretary informed that the Company had received in total Sixty-Nine (69) proxy forms from the shareholders for a total of Five Hundred Fifty-Four Million Four Hundred Sixty-Four Thousand Three Hundred and Thirty-One (554,464,331) shares, representing 75.88% of the issued share capital of the Company.

Out of those, there were Forty-Three (43) shareholders who had appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented stood at Five Hundred Eleven Million Five Hundred Thirty-Seven Thousand One Hundred and Sixty-Eight (511,537,168) which represent 70.01% of the issued share capital of the Company.

5. POLLING

The Participants noted that all the resolutions set out in the Notice of the 14th 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 14th 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 Scrutineer Solutions 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

At the invitation of the Chairman, the Executive Directors, Mr Hugo Teoh Zi Yi (“Mr Hugo”) and Ms Kelly Teoh Zi Yuen (“Ms Kelly”), gave an overview of the Financial and Business prospects of the Company.

The following topics were presented to the Meeting:

1. About Pecca
2. Financial Year 2024 Highlights
3. Overview of Financial & Operation Performance
4. Overview of Market & Outlook
5. Our Engines of Growth: Four Key Pillars

About Pecca

Mr Hugo presented and gave a brief introduction of Pecca Group Berhad (“Pecca” or “the Company”) and its subsidiaries (“the Group”) to the Meeting. Pecca is Malaysia’s leading provider of automotive leather upholstery, with over 20 years of experience, and has been listed on the Main Market of Bursa Malaysia since 2016. The Company is headquartered in Kuala Lumpur and also operates in Indonesia. Pecca focuses on the automotive and aviation sectors, with export markets spanning Europe, North America, Asia Pacific, and Oceania. The Group offers a variety of upholstery solutions for both the automotive and aviation industries, addressing the comprehensive needs of its customers with a strong commitment to the highest quality standards and customer satisfaction.

Financial Year 2024 Highlights

Mr Hugo presented the Financial Year 2024 (“FY2024”) highlights for the Group. He highlighted that the Group achieved higher revenue of RM242.5 million in FY2024 driven by robust demand in the automotive segment and improved economies of scale. Additionally, the Group recorded a 55.4% increase in net profit, while its cash position reached a record high of RM153.7 million, placing the Group in a strong position to execute its growth plans. Mr. Hugo also announced the successful completion of the Group’s first purchase order to service an Airbus A320 passenger aircraft.

Mr. Hugo further emphasized the Group’s focus on business growth and its commitment to creating long-term value through sustainable practices. The Group has integrated

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sustainability strategies into its core business, and assess the approach through the lens of economic, environmental, social, and governance. In FY2024, the Group generated RM247.1 million in economic value for its stakeholders. The Group also demonstrated notable achievements in environmental and social performance, including reducing greenhouse gas emissions compared to the 2022 baseline, lowering water consumption intensity, and investing over 6,000 hours in employee training to enhance skills and capabilities.

Mr Hugo next highlighted the significant milestone for the Group with its inclusion in the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index, reflecting the Group's commitment to meeting high ESG standards. Besides, the Group has adopted 10 United Nations Sustainable Development Goals as part of its long-term strategy. The Group actively engages with industry standards and certifications in both the automotive and aviation sectors, demonstrating its dedication to stringent quality standards and operational excellence to ensure customer satisfaction. In 2024, the Group received 2 awards, the Mitsubishi Best Supplier Award for Local Accessories and the Mitsubishi Quality Appreciation Award for Best Quality Local Accessories.

Overview of Financial & Operation Performance

Mr Hugo presented the financial and operation performance for FY2024. The Group's revenue grew by 9.6% to RM242.5 million, while net profit increased significantly by 55.4% to RM55 million. Margins also improved, with a gross profit margin of 39.6%, operating profit margin of 28.2%, and net profit margin of 22.7%. On the balance sheet, the Group achieved its highest-ever cash position of RM153.7 million, reduced borrowings to RM6.9 million, and increased shareholders' equity to RM234 million.

In celebration of Pecca's upcoming 25th anniversary in 2025, Mr Hugo also informed that the Company is pleased to declare a special dividend of 1.5 sen per share in appreciation for shareholders' support. This brings the total dividend in respect of FY2024 to 6.5 sen per share, with a total payout of RM48.4 million, representing 88% of the Group's FY2024 net profit, significantly exceeding the Group's dividend policy of 40%. Looking ahead to Financial Year 2025 ("FY2025"), the Group remains focused on driving sustainable value creation by prioritizing five core operational areas namely Product Quality, Sustainability, Health & Safety, Knowledge & Skills, and Technology.

Overview of Market & Outlook

Ms Kelly presented the market and outlook of the Group in FY2024. The automotive market remains strong in 2024, with total industry volume reaching 390,296 units in the first half of the year, representing a 6.6% year-on-year increase. This growth was driven by rising EV sales, the entry of new market players, and a variety of new, affordable models with enhanced features.

Ms Kelly highlighted that in the aviation sector, global air travel is projected to reach 5 billion passengers in 2024, with Maintenance, Repair, and Overhaul (“MRO”) spending expected to hit USD104 billion. Additionally, the New Industrial Master Plan 2030 has identified aerospace as a priority sector, with government support for key initiatives such as the Subang Airport Regeneration Plan and the Aerospace Park at KLIA.

Our Engines of Growth: Four Key Pillars

Ms Kelly next explained the Group’s goals categorised into four pillars, as follows:

Pillar 1 – Original Equipment Manufacturer (“OEM”)

The Group will continue advancing the development of its second plant at the UMW High Value Manufacturing Park in Serendah, Selangor. This new facility is designed to expand production capacity, catering to the growing demand from both existing and new customers. Additionally, the Group is focused on strengthening collaborations with key partners, including MARii and automotive dealerships. The Group remains committed to securing new projects from its existing OEM customers to drive growth and further expand its market presence.

Pillar 2 – Rear Electronic Module (“REM”)

The Group is focused on building strong partnerships with prominent local distributors to expand into international markets and secure larger orders. The Group will continue to enhance its marketing efforts, leveraging both physical and online retail channels, at the same time also aims to increase its market share in international REM markets, including the United States, Europe, the Middle East, Australia, and Singapore.

Pillar 3 – Aviation

In the aviation sector, the Group is focused on obtaining certifications from key ASEAN regulators, such as Civil Aviation Authority of Thailand and Civil Aviation Authority of Singapore, to expand its brand presence through targeted marketing and diversify its aircraft cabin interior solutions. By partnering with established MRO players, the Group aims to provide cost-effective, one-stop solutions for the industry. For FY2025, the Group plans to secure additional commercial aircraft projects. The Group is the only player in ASEAN to hold the European Aviation Safety Agency (“EASA”) Part 21G Production Organisation Approval certification (EASA.21G.0075), demonstrating its stringent quality standards for international markets.

Pillar 4 – Emerging Ventures (“EV”)

For EV segment, the Group will explore new partnerships and opportunities in the growing EV market. Additionally, the Group is committed to expanding its presence in Indonesia by securing more contracts, further driving growth in the region.

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”)

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 the Company Secretary to read out the question and Ms Kelly to read out the answers, details as set out in “**Appendix A**” attached herein.

8. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (“FYE 30 JUNE 2024”)

The Chairman informed the Participants that the first item on the Agenda was to receive the Audited Financial Statements for the FYE 30 June 2024 together with the Reports of the Directors and Auditors thereon.

The Audited Financial Statements for the FYE 30 June 2024 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 30 June 2024 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 30 June 2024.

Mr Chong Jit Seng (“Mr Chong”) (Shareholder) inquired about the Company's involvement in the healthcare sector. In response, Mr Foo Ken Nee (“Mr Foo”) explained that during the COVID-19 pandemic in year 2021, many regions faced challenges in obtaining face masks, and the available masks were often expensive and lack of quality. Recognizing the Company's capability to produce face masks, the Company took on the responsibility of supplying high-quality masks to the Malaysian public.

Mr Foo stated that the Company is focusing on diversifying its OEM activities, with a particular emphasis on targeting the luxury product market. While the Company is confident in its ability to produce high-quality products, it has yet to successfully penetrate to overseas market. The Company has put a lot of effort, including travel to various regions to identify strong local distributors who can help build the brand both for the Company and themselves.

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Additionally, in alignment with the Company's third core business pillar, there is an opportunity to expand into the aviation sector, which will further diversify the Company's business in the coming years.

Mr Chong noted the progress of the second plant at the UMW High Value Manufacturing Park in Serendah, noting that the Company has started producing higher-quality leather. He then inquired about the differences between standard leather and luxury leather. Mr Foo explained that materials can be categorized into various grades, with each grade commanding different market margins. One of the key factors the Company is focused on is identifying the specific portions and demand within these grades. Drawing from the Company's extensive experience, Mr Foo emphasized that, from an OEM perspective, the primary factors for success are quality, on-time delivery, and exceptional customer service. The Company is committed to maintaining these three core principles to ensure long-term relationships with its customers.

Mr Chong pointed out that in the Company's prospectus in 2016, the Company has a subsidiary in Thailand but now it was ceased. He inquired about the reason behind the Company's exits the Thailand market. Mr Foo clarified that the Company did not withdraw its investment from Thailand, but rather, it is exploring the REM market across different regions. The Company is conducting thorough assessments and analyses of each market. Currently, the Company is focusing on the US market and actively seeking potential opportunities. Mr Foo further explained that Thailand is also one of the markets where the Company is assessing and exploring the best approach to penetrate in the future.

Mr Chong requested further elaboration on the Company's interest in ventures in Indonesia. Mr Foo explained that the Company holds a positive view of the Indonesia market due to its existing customer base and strong relationships with customers. Additionally, the car designs in Indonesia are similar with Malaysia, presenting an opportunity for the Company to leverage its expertise and expand into a new market. This alignment is a key factor driving the Company's interest in pursuing ventures in Indonesia.

Mr Chong stated that many companies faced significant losses due to the recent decline in the value of the Ringgit Malaysia and noted that the Company imports raw materials from overseas. He inquired about the impact of the Foreign Exchange (Forex) issue on the Company. Mr Foo responded that the Company has a strong finance team and effective management in place to manage Forex fluctuations. The Company has also implemented strategies to mitigate the volatility of the Forex market, ensuring that it does not adversely affect operations.

Mr Ho Yueh Weng ("Mr Ho") (Proxy Holder) referred to page 33 of the Annual Report 2024 ("AR 2024") and noted the Company's ambition to transition from a Tier-2 to a Tier-1 player. He inquired about how the Company is identified as Tier-2 and what steps are needed to achieve Tier-1 status. In response, Mr Foo explained that the Company has been operating within the same business field for the past 24 years, and the critical question now is how to improve and diversify its operations. He emphasized that if the Company

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continues doing one business, the Company will not be able to sustain, realize its growth potential or differentiate itself in the market. Therefore, the Company needs to step beyond its comfort zone by investing time and resources into new initiatives, particularly expanding localization components and exploring innovative strategies to enhance its market positioning.

Mr Ho further inquired about which Companies currently in Tier-1 are ahead of the Company. In response, Mr Foo explained that the Company does not limit its benchmarking solely to Tier-1 Companies. Instead, it looks up to industries with strong market positions and best practices, not only within the automotive sector but also in the aviation segment, which the Company is actively exploring. He emphasized that the Company remains inspired by these leaders and is committed to continuous exploration and improvement to achieve Tier-1 status in the future.

Mr Ho referred to page 33 of the AR 2024, where the Company stated its plan to manufacture handcrafted premium leather. He noted that handcrafted products typically require more labour and he raised concerns about the automation level of these products. Mr Ho further highlighted that 73% of the Company's workforce consists of foreign labour, who may only stay temporarily and leave after a few years. Mr Ho queried about the Company's solutions to address this situation. In response, Mr Foo explained that one of the reasons for the reliance on foreign workers is their ability to provide stability in the OEM segment, particularly in terms of production and delivery. The Company also focuses on retaining talent and fostering a positive workplace culture. Mr Foo further stated that a significant number of employees have been with the Company for over 15 years, which is a testament to the Company's efforts in fulfilling employee needs and promoting retention.

Additionally, Mr Foo highlighted the Company's commitment to upskilling its workforce by sending employees overseas annually for technology training. This initiative allows the Company to stay updated on the latest technological advancements and identify the necessary machinery to invest in as it transitions to the new factory. These measures ensure the Company remains prepared to adapt future demands while balancing automation and labour needs effectively.

Mr Ho further pointed out that the Company's two main customers contribute significantly to its profits and expressed concern about the impact such reliance could have on the Company's operations. Mr Foo assured that the Company maintains strong and long-standing relationships with all its vendors, even with some partnerships more than 10 to 20 years. He emphasized the Company's commitment to upholding the three core principles which are delivering high-quality products, ensuring timely delivery, and providing exceptional customer service. These principles are essential for retaining existing customers, attracting potential new ones, and ensuring the Company's long-term growth and stability.

Mr Leo Ann Puat ("Mr Leo") (Shareholder) followed up on the questions from MSWG. He noted that while the Company primarily operates in the automotive segment, it has ventured

into three new segments which are healthcare, aviation, and furniture. He inquired about the progress of the furniture segment. Additionally, Mr Leo expressed concern about the reliance on the Company's two major customers, who contribute significantly to its profits, and asked whether there are strategies to reduce this dependency. In response, Mr Foo stated that while the Company is currently prioritizing its efforts in the aviation segment, the Company remains committed to the healthcare and furniture segments, though these are not the immediate focus. Regarding the reliance on its top two customers, Mr Foo acknowledged the concern and emphasized that the Company is actively working to diversify its business by exploring and penetrating new potential markets to mitigate this dependency and drive long-term growth.

There being no further questions, the Participants noted that the Audited Financial Statements for the FYE 30 June 2024 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

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 22 November 2024 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 – DATO' MOHAMED SUFFIAN BIN AWANG

- Ordinary Resolution 2

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 2.

Datuk Leong took the Chair. He informed that Ordinary Resolution 2 was to re-elect Dato' Suffian who retires pursuant to Clause 97 of the Company's Constitution and Dato' Suffian, being eligible, has offered himself for re-election.

Datuk Leong next invited questions from the Participants on Ordinary Resolution 2.

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

11. RE-ELECTION OF DIRECTORS – DATUK LEONG KAM WENG AND DATO' DR. NORHIZAN BIN ISMAIL
- *Ordinary Resolutions 3 and 4*

The Chairman informed that Ordinary Resolutions 3 and 4 were to re-elect Datuk Leong and Dato' Dr. Norhizan Bin Ismail who retires pursuant to Clause 97 of the Company's Constitution and Datuk Leong and Dato' Dr. Norhizan Bin Ismail, being eligible, has offered themselves for re-election.

The Chairman next invited questions from the Participants on Ordinary Resolutions 3 and 4.

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

12. RE-APPOINTMENT OF AUDITORS
- *Ordinary Resolution 5*

The Chairman informed that Ordinary Resolution 5 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 5.

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 6*

Having concluded the ordinary business of the 14th AGM, the Chairman informed the meeting move on to Special Business in the Agenda.

Dato' Suffian invited Datuk Leong to take over the Chair as he is an interested party to Ordinary Resolution 6.

Datuk Leong took the Chair. He informed that Ordinary Resolution 6 is to seek shareholders' approval for the continuation in office by Dato' Suffian as an Independent Non-Executive Director. Details of this resolution including the rationale have been set out in the notice of the AGM dated 23 October 2024.

Datuk Leong also informed the Participants that Dato' Suffian 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' Suffian to continue to serve on the Board as an Independent Director as he has served as an Independent Director on the Board for a cumulative term of more than nine (9) years. 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 6.

There being no 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 7

The Chairman informed that Ordinary Resolution 7 was to obtain the shareholders' approval for the continuation in office by Datuk Leong 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 23 October 2024.

The Chairman further informed that Datuk Leong 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 to continue to serve on the Board as an Independent Director as he has served as an Independent Director on the Board for a cumulative term of more than nine (9) years. The voting will be cast in the following manner:

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- 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 7.

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 AND WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO SECTION 85 OF THE COMPANIES ACT 2016

- *Ordinary Resolution 8*

The Chairman informed that Ordinary Resolution 8 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 8.

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

16. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

- *Ordinary Resolution 9*

The Chairman informed that Ordinary Resolution 9 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 23 October 2024.

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

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 10

The Chairman informed that Ordinary Resolution 10 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 23 October 2024.

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 10.

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

18. ANY OTHER BUSINESS

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

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 11.37 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.

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POLL RESULTS

The Chairman called the Meeting to order at 12.04 p.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	%
Ordinary Resolution 1 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 22 November 2024 until the conclusion of the next AGM of the Company.	556,964,395	99.9999	436	0.0001
Ordinary Resolution 2 To re-elect Dato' Mohamed Suffian Bin Awang who is to retire pursuant to Clause 97 of the Company's Constitution and being eligible, has offered himself for re-election.	554,138,683	99.4926	2,826,148	0.5074
Ordinary Resolution 3 To re-elect Datuk Leong Kam Weng who is to retire pursuant to Clause 97 of the Company's Constitution and being eligible, has offered himself for re-election.	554,909,795	99.6310	2,055,036	0.3690
Ordinary Resolution 4 To re-elect Dato' Dr. Norhizan Bin Ismail who is to retire pursuant to Clause 97 of the Company's Constitution and being eligible, has offered himself for re-election.	556,964,831	100.0000	0	0.0000
Ordinary Resolution 5	556,193,719	99.8616	771,112	0.1384

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To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.				
FIRST TIERS Ordinary Resolution 6 Continuing in Office as an Independent Non-Executive Director – Dato' Mohamed Suffian Bin Awang	373,075,532	100.0000	0	0.0000
SECOND TIERS Ordinary Resolution 6 Continuing in Office as an Independent Non-Executive Director – Dato' Mohamed Suffian Bin Awang	181,398,899	98.8798	2,055,036	1.1202
FIRST TIERS Ordinary Resolution 7 Continuing in Office as an Independent Non-Executive Director – Datuk Leong Kam Weng	373,075,532	100.0000	0	0.0000
SECOND TIERS Ordinary Resolution 7 Continuing in Office as an Independent Non-Executive Director – Datuk Leong Kam Weng	181,834,263	98.8825	2,055,036	1.1175
Ordinary Resolution 8 Authority under Section 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares and waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016.	556,874,395	99.9838	90,436	0.0162
Ordinary Resolution 9	556,964,145	99.9999	686	0.0001

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Proposed Renewal of Authority to the Company to Purchase its own Ordinary Shares.				
Ordinary Resolution 10	97,634,763	99.9996	436	0.0004
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.				

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 22 November 2024 until the conclusion of the next AGM of the Company be and is hereby approved.”

RESOLUTION 2

“That Dato’ Mohamed Suffian Bin Awang be and is hereby re-elected as Director of the Company.”

RESOLUTION 3

“That Datuk Leong Kam Weng be and is hereby re-elected as Director of the Company.”

RESOLUTION 4

“That Dato’ Dr. Norhizan Bin Ismail be and is hereby re-elected as Director of the Company.”

RESOLUTION 5

“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.”

RESOLUTION 6

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

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RESOLUTION 7

“That the authority be and is hereby given to Datuk Leong Kam Weng, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company.”

RESOLUTION 8

“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 9

“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 2024 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.

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

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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 10

“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 23 October 2024 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;
 - 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

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- 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

There being no other business to be transacted, the Meeting concluded at 12.07 p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

-SIGNED-

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CHAIRMAN

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD – QUESTIONS AND ANSWERS

OPERATIONAL & FINANCIAL MATTERS

1. The Group is making significant investments to expand its production capacity. It continues to make progress on its second plant at the UMW High Value Manufacturing Park in Serendah, Selangor. (page 57 of AR2024)
 - (a) Please provide the latest update on the second plant.
 - The Group has obtained planning permission (Kebenaran Merancang) from Majlis Perbandaran Hulu Selangor in October 2024. However, we are reviewing the timeline and overall plan for the plant to ensure optimal alignment with our operational and technological requirements, as part of our 4 Key Pillars growth strategy.
 - (b) As mentioned during last year's AGM, the Group had expected the second plant to be completed by Q2 2025 and to start operations in the middle of 2025. Are there any changes to these timelines?
 - The timeline for the Group's second plant is under review to ensure optimal alignment with our operational and technological requirements, as part of our 4 Key Pillars growth strategy.
 - The Group is progressing with the plant's planning and will provide updates in due course. This reflects our reassessment of capacity needs, considering our expanded strategy and opportunities.
 - The Group's manufacturing plants in Malaysia and Indonesia have been optimized over the years, providing ample capacity to meet current demand while we plan our future expansion.
 - (c) How much has the Group invested in the second plant so far? What is the remaining capital investment for this plant?
 - To date, the Group has invested approximately RM500,000 in our second plant in Serendah for initial planning stage.
 - The remaining capital investment is estimated to be in the range of RM45 million, subject to change based on the ongoing reassessment of our plans and final quotations for construction, machinery, and other related expenses.

2. The healthcare segment recorded impairment losses and inventories write-off totaling RM1.64 million in FY2024. This came after it registered an impairment loss and inventory write-down totaling RM2.75 million a year ago.
- (a) How did the healthcare segment perform in FY2024, in terms of revenue and profit/loss?
- The healthcare segment recorded revenue of RM2.45 million in FY2024. Despite market shifts as the pandemic transitioned into an endemic phase, the segment maintained a gross profit margin of approximately 14% before impairment and inventory write-offs. Taking all factors into account, this resulted in a net loss of RM1.30 million. We are actively adapting to the evolving market dynamics in this segment.
- (b) What are the Group's plans for this segment going forward?
- The Group's healthcare segment was essential during the pandemic, serving many Malaysians. We will continue to operate our healthcare business and closely monitor market demand. The segment is prepared to respond to future disease outbreaks or other healthcare needs.
- (c) Are there any plans to divest or discontinue the non-core healthcare business? If not, does the Group have a clear roadmap to return to profitability?
- There are no plans to divest or discontinue the non-core healthcare business. The Group is working towards improving operational efficiency, adapting to market conditions, and enhancing product quality to meet customer needs.

CORPORATE GOVERNANCE MATTERS

3. Practice 1.4 of the Malaysian Code of Corporate Governance (MCCG) stipulates that the Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

PECCA's response: Departure. 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.

MSWG's comments: Guidance G1.4 states that having the same person assume the positions of Chairman of the board, and Chairman of the AC, NC or RC gives rise to the risk of self-review and may impair the objectivity of the Chairman and the board when deliberating on the observations and recommendations put forth by the board committees. Thus, the Chairman of the board should not be involved in these committees to ensure there is check and balance as well as objective review by the board.



Does the Company intend to apply Practice 1.4 to further enhance the independence and objectivity of the board committee, and if yes, by when?

- The Board acknowledges Practice 1.4 of the MCCG and is committed to further enhancing the independence and objectivity of its board committees, and will aim to comply in future.
- While the Chairman currently serves on certain committees, he exercises independent judgment and is not involved in managerial or operational matters.

4. Practice Practice 5.3 of the MCCG stipulates that an independent director's tenure should not exceed a cumulative term limit of nine years. If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval through a two-tier voting process.

Dato' Mohamed Suffian Bin Awang and Datuk Leong Kam Weng had served on the Board as Independent Director for a cumulative term of more than nine (9) years.

As their tenure has now exceeded nine years, what is the Company's plan for identifying replacements?

- Dato' Mohamed Suffian Bin Awang and Datuk Leong Kam Weng's independence have been rigorously assessed and remain unaffected. The Board supports seeking shareholders' approval through a two-tier voting process at the forthcoming AGM.
- Simultaneously, the Group will continue to identify and develop potential candidates to ensure a smooth transition when needed.

5. Practice Practice 5.9 of the MCCG stipulates that the Board should comprise at least 30% women directors.

PECCA's response: Departure. Currently, the Board comprises two female Non-Independent Executive Directors which accounts for 29% representation of women on the Board. The Board supports the country's aspirational target of 30% representation of women directors in line with Practice 5.9 of MCCG and will consider a diverse range of candidates including female representation in future recruitment and selection processes. (page 28 of CG Report 2024)

MSWG comments: What specific actions has the Board taken or intends to take to increase the representation of women on the Board to adopt Practice 5.9 within a reasonable timeframe?

- The Board supports Malaysia's aspirational target of achieving 30% representation of women directors, in alignment with Practice 5.9 of the MCCG. The Board is committed to considering a diverse pool of candidates, including women, in its recruitment and selection processes.

SUSTAINABILITY MATTERS

6. The Group has completed the installation of a solar PV system on the rooftop of its manufacturing facility in FY2022. The solar PV system commenced electricity generation in January 2022, which helped meet part of the electricity requirement of its manufacturing facility and generate cost savings for the Group in the form of electricity bill reduction. (page 101 of AR 2024)

(a) How much has the Group invested in the solar PV system?

- The Group has invested approximately RM1 million for the solar PV system.

(b) How much annual cost savings has PECCA generated on electricity bill?

- The annual cost savings from utilizing the solar PV system is approximately 35%.

(c) What percentage of the Group's manufacturing facility's total electricity consumption is being met by the solar PV system?

- Approximately 10% of the Group's total electricity consumption for its manufacturing facility is met by the solar PV system.

(d) Are there plans to expand the solar PV system or invest in additional renewable energy solutions in the coming years?

- The Group is exploring the possibility of expanding its solar PV system and implementing other renewable energy solutions in support of national and global initiatives, including Malaysia's New Industrial Master Plan 2030 - Mission 3: Push for Net Zero, as well as The Paris Agreement.

-End-