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

PART A

**STATEMENT TO SHAREHOLDERS
IN RELATION TO:**

**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS
OWN ORDINARY SHARES**

PART B

**CIRCULAR TO SHAREHOLDERS
IN RELATION TO:**

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

The above proposals will be tabled as Special Business at the Fourteenth ("14th") Annual General Meeting ("AGM") of Pecca Group Berhad ("the Company") which will be 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. or any adjournment thereof.

The Notice of the 14th AGM of the Company together with the Proxy Form are set out in the Annual Report 2024 of the Company and this Circular/Statement can be downloaded from the Company's website at <https://peccagroup.com> or Bursa Securities's website at https://www.bursamalaysia.com/market_information/announcements/company_announcement. For further information, please refer to the Notice of the 14th AGM and Administrative Details on 14th AGM.

If you are unable to attend and vote at the AGM, please complete and return the Proxy Form in accordance with the instruction therein as soon as possible and lodged at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending, participating and voting in person at the AGM should you subsequently decide to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

Last date and time for lodging of Form of Proxy: Tuesday, 19 November 2024 at 10.00 a.m.

Date and time of the 14th AGM: Thursday, 21 November 2024 at 10.00 a.m.

This Circular and Statement is dated 23 October 2024

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular and Statement.

Act	:	Companies Act 2016, as amended from time to time including any re-enactment thereof
AGM	:	Annual General Meeting
Board	:	Board of Directors of Pecca
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
Circular	:	This circular to the Shareholders of Pecca dated 23 October 2024 in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature to be Entered with RHSB and Persons Connected with RHSB
Company or Pecca	:	Pecca Group Berhad [Registration No. 201001025617 (909531-D)]
Constitution	:	Constitution of Pecca, as amended from time to time
Director(s)	:	As defined under 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 of Pecca (or any other company which is its subsidiary or holding company) or a chief executive of Pecca (or its subsidiary or holding company)
Group	:	Pecca and its subsidiaries
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
LPD	:	30 September 2024, being the latest practicable date prior to the printing and dispatch of this Circular and Statement
Major Shareholder(s)	:	<p>A person who 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 major shareholder of the Company or any other corporation which is its subsidiary or holding company, has an interest or interests in one (1) or more voting shares in the Company and the total number of voting shares, or the aggregate of the total number of those voting shares, is:</p> <p>(a) 10% or more of the total number of voting shares in the Company; or</p> <p>(b) 5% or more of the total number of the voting shares in the Company where such person is the largest shareholder of the Company.</p> <p>For the purpose of this definition, "interest in shares" has the meaning given in Section 8 of the Act.</p>
Market Day	:	A day on which the stock market of Bursa Securities is open for trading in securities
Minister	:	The Minister charged with the responsibility for companies
NA	:	Net assets attributable to ordinary equity holders of the Company
Person(s) Connected	:	<p>Such person, in relation to a Director or Major Shareholder, who falls under any one of the following categories:-</p> <p>a) A family member of the Director or Major Shareholder;</p> <p>b) A trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director, Major Shareholder or a family member of the Director or Major Shareholder is the sole beneficiary;</p> <p>c) A partner of the Director or Major Shareholder;</p> <p>d) A person, or where the person is a body corporate, the body corporate or its director, who is accustomed or under an obligation,</p>

		whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
	e)	A person, or where the person is a body corporate, the body corporate or its director, in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
	f)	A body corporate in which the Director, Major Shareholder and/or Persons connected with him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
	g)	A body corporate which is a related corporation of the Director or Major Shareholder.
PLSB	:	Pecca Leather Sdn Bhd [Registration No. 200001015763 (518370-H)], a wholly-owned subsidiary of Pecca
Proposed Renewal of Share buy Back Authority	:	Proposed renewal of the existing authority granted to Pecca to purchase its own shares on Bursa Securities of up to ten per centum (10%) of the total number of issued shares of Pecca in accordance with Section 127 of the Act and Chapter 12 of Listing Requirements
Proposed Renewal of Shareholders' Mandate	:	Proposed Renewal of the existing Shareholders' Mandate for Pecca Group to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature
Purchased Shares	:	Shares purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back Authority
Related Party or Parties	:	Director(s), Major Shareholder(s) and/or Person(s) Connected with such Director(s) or Major Shareholder(s) as defined in Paragraph 10.02 of the Listing Requirement
RHSB	:	Rentas Health Sdn Bhd [Registration No. 201901013156(1322484-P)]
RM	:	Ringgit Malaysia
RRPT	:	Transactions with Related Parties involving recurrent transactions of a revenue or trading nature which are necessary for Pecca Group's day-to-day operations and are in the ordinary course of business of Pecca Group
Rules	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions, 2016 as amended from time to time
Shares	:	Ordinary shares fully-paid up in Pecca
Statement	:	This statement to the shareholders of Pecca dated 23 October 2024 in relation to the Proposed Renewal of Share Buy-Back Authority
Substantial Shareholder(s)	:	Shall have the same meaning given in Section 136 of the Act
Treasury Shares	:	The Purchased Pecca Shares which are retained by the Company and shall have the meaning given under Section 127(4)(b) of the Act

All reference to "we", "us", "our" and "ourselves" are to our Company. All references to "you" in this Circular/Statement are to the shareholders of our Company.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Reference to persons shall include corporations and individuals, unless otherwise specified.

Any reference to any legislation or guideline in this Circular/Statement is a reference to that legislation or guidelines as amended from time to time.

All references to the time of day in this Circular/Statement are reference to Malaysian time, unless otherwise stated.

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PART A
**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN
ORDINARY SHARES**



**PECCA GROUP BERHAD
REGISTRATION NO. 201001025617 (909531-D)
(INCORPORATED IN MALAYSIA)**

Registered Office:

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Date : 23 October 2024

The Board of Directors:

Dato' Mohamed Suffian Bin Awang (Independent Non-Executive Chairman)
Datuk Teoh Hwa Cheng (Group Managing Director)
Datuk Leong Kam Weng (Independent Non-Executive Director)
Dato' Dr. Norhizan Bin Ismail (Independent Non-Executive Director)
Datin Sam Yin Thing (Executive Director)
Teoh Zi Yi (Executive Director)
Teoh Zi Yuen (Executive Director)

To: The Shareholders of Pecca

Dear Sir/Madam,

SHARE BUY-BACK STATEMENT

1. INTRODUCTION

The shareholders of PECCA had at the Thirteenth ("13th") AGM of the Company held on 16 November 2023, granted approval for the Directors to purchase its own shares of up to ten per centum (10%) of the total number of issued shares of the Company. The said mandate shall in accordance with the Listing Requirements of Bursa Securities, lapse at the conclusion of the forthcoming AGM unless a fresh mandate is obtained from shareholders.

The Board had on 9 October 2024 made the announcement to Bursa Securities that the Company proposes to seek its shareholders' approval for the proposed renewal of authority to the Company for the Proposed Renewal of Share Buy Back Authority.

The aforesaid proposal if approved by the shareholders would become valid immediately upon the passing of the ordinary resolution at the forthcoming AGM and will expire at the conclusion of the next AGM of the Company unless the authority is further renewed by ordinary resolution passed at a general meeting (either unconditionally or subject to conditions) or upon the expiration of the period within which the next AGM is required by law to be held, or if earlier revoked or varied by ordinary resolution of the shareholders of the company in a general meeting, whichever occurs first.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

2.1 General

The Board proposes to seek a renewal of the authority from its shareholders of the Company to purchase its own shares of up to ten per centum (10%) of the total number of issued shares of the Company, through its appointed stockbroker on the market of Bursa Securities.

As at LPD, the total number of issued shares of Pecca was 752,000,000 Ordinary Shares (including of 12,936,968 Treasury Shares). Hence, the maximum number of Shares which may be purchased and/or held as Treasury Shares by the Company is 62,263,032 Shares, excluding the 12,936,968 Shares already purchased and held as Treasury Shares.

In accordance with Paragraph 12.26 of the Listing Requirements, the Company may also purchase its own shares in odd lots i.e. any number of its own shares which is less than the number of shares prescribed by Bursa Securities as a board lot through a Direct Business Transaction or in any other manner as may be approved by Bursa Securities in accordance with such requirements as may be prescribed or imposed by Bursa Securities.

The Proposed Renewal of Share Buy Back Authority, once approved by the shareholders, will be effective immediately upon the passing of the ordinary resolution and shall be effective until:

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

whichever occurs first.

2.2 Actual Share Buy-Back

The actual number of Shares that may be purchased, the total amount of funds to be utilised and the timing of the proposed transactions for the Company to purchase its own shares will depend on the availability of financial resources, relevant cost factors, market conditions and sentiments.

In accordance with Paragraph 12.09 of the Listing Requirements, Pecca will not purchase its own shares or hold any of its own shares as Treasury Shares if this results in the aggregate Purchased Shares or held to exceed 10% ten per centum of the total number of issued shares of the Company.

2.3 Maximum Amount of Funds to be Allocated and the Source of Funds

Pursuant to the Listing Requirements, the Proposed Renewal of Share Buy-Back Authority must be made wholly out of the retained profits of the Company. Therefore the maximum amount of funds to be utilised for the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits account of the Company.

As at 30 June 2024, the audited balances of retained earnings of the Company stood at RM3,206,000.

The Proposed Renewal of Share Buy-Back Authority will be funded by internally generated funds and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on, amongst others, the availability of internally generated funds, actual number of Shares to be purchased and other relevant cost factors. The actual number of Shares to be purchased and/or held, and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock market as well as the retained profits and financial resources available to the Group. In the event that the Company purchases and holds its own Shares using external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment will not have any material effect on the cash flow of the Group.

2.4 Treatment of the Purchased Share

In accordance with Section 127(4) & 127(7) of the Act, the Board is able to deal with any Purchased Shares in the following manner:

- (a) to cancel the Purchased Shares;
- (b) to retain the Purchased Shares as Treasury Shares to:-
 - (i) distribute the shares as dividends to shareholders of the Company, such dividends to be known as "share dividends";
 - (ii) resell the shares, or any of the shares in accordance with the relevant rules of Bursa Securities;
 - (iii) transfer the shares, or any of the shares for the purposes of or under an employees' share scheme;
 - (iv) transfer the shares, or any of the shares as purchase consideration;
 - (v) cancel the shares or any of the shares; or
 - (vi) sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe;
or

(c) to retain part of the Purchased Shares as Treasury Shares and cancel the remainder.

The decision whether to retain the Purchased Shares as Treasury Shares, or to cancel the Purchased Shares or a combination of both, will be made by the Board at the appropriate time.

If the Purchased Shares are held as Treasury Shares, the rights attached to them as to voting, dividends and participation in any other distribution are suspended and the Treasury Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including, without limiting the generality of this provision, the provisions of any law or requirements of the constitution of the Company or the Listing Requirements of Bursa Securities on substantial shareholdings, takeovers, notices the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

2.5 Purchase Price

Pursuant to Paragraph 12.17 of the Listing Requirements, Pecca shall only purchase its own ordinary shares at a price, which is not more than fifteen per centum (15%) above the weighted average market price for the five (5) Market Days immediately preceding the date of the purchase(s).

2.6 Resale Price

In the case of resale or transfer of Treasury Shares (if any), the Company may only resell the same on Bursa Securities or transfer Treasury Shares pursuant to Section 127 of the Act and Paragraph 12.18 of the Listing Requirements at:

- i. a price which is not less than the weighted average market price for the Shares for the five (5) market days immediately before the resale or transfer; or
- ii. a discounted price of not more than five per centum (5%) to the weighted average market price for the Shares for the five (5) market days immediately before the resale or transfer provided that:-
 - (a) the resale or transfer takes place no earlier than thirty (30) days from the date of purchase; and
 - (b) the resale or transfer price is not less than the cost of purchase of the Shares being resold or transferred.

2.7 Historical Share Price

The monthly highest and lowest prices of the Shares as traded on Bursa Securities for the preceding twelve (12) months from October 2023 to LPD are as follows:-

Month	Shares	
	High (RM)	Low (RM)
2023		
October	1.25	1.15
November	1.35	1.15
December	1.36	1.28
2024		
January	1.38	1.25
February	1.39	1.28
March	1.44	1.32
April	1.40	1.29
May	1.50	1.32
June	1.50	1.25
July	1.33	1.17
August	1.29	1.18
September	1.35	1.20
Last traded price on Bursa Securities on 30 September 2024, being the latest practicable date before printing of the Statement		1.30

(Source: <https://finance.yahoo.com>)

3. RATIONALE AND POTENTIAL ADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority will enable Pecca to utilise its surplus financial resources to purchase the Pecca Shares as and when the Board deems fit in the interest of its shareholders during the tenure of the authority granted is in effect.

In addition, the Purchased Shares may be held as Treasury Shares and resold on Bursa Securities with the intention of realizing a potential gain without affecting the total issued share capital of the Company. Should any treasury be distributed as share dividends, this would serve to reward the shareholders of the Company.

The Proposed Renewal of Share Buy-Back Authority, if implemented, is expected to benefit the Company and its shareholders as follows:

- i. to provide flexibility to the Company to utilise available financial resources to purchase its own shares;
- ii. to allow improvements to the earnings per share with the cancellation of the Purchased Shares or Treasury Shares from the exercise;
- iii. to allow the Company to realise potential capital gains if the Purchased Shares which are kept as Treasury Shares are subsequently resold at prices higher than their purchase prices;
- iv. to allow the distribution of Treasury Shares as share dividends to its shareholders which serves as a reward to its shareholders; and/or
- v. to reduce volatility of the share prices.

4. POTENTIAL DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

- i. The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority to the Company and its shareholders is that the Proposed Renewal of Share Buy-Back Authority will require utilisation of financial resources which may result in the Company foregoing other investment opportunities and/or foregoing income that may be derived from the deposit of such funds in interest bearing instruments and may also reduce cash dividend distributions to its shareholders.
- ii. The working capital of the Group will also be affected, as any purchase of Pecca Shares will reduce the Group's cash flow depending on the actual number of Purchased Shares and their purchase price. However, the working capital of the Group may recover and increase upon the reselling of the Purchased Shares held as Treasury Shares.
- iii. However, only after the Board has given due consideration to the potential impact on the Group's earnings and financial position and only if the Directors are of the opinion that it would be in the best interest of the Group's earnings and financial position, would the Board exercise the authority granted by the shareholders for the share buy-back.

5. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

In the event that the Proposed Renewal of Share Buy-Back Authority is carried out, the financial effect on the existing issued shares capital, NA per share, working capital, earnings, dividends and shareholdings of existing Directors and major shareholders of the Company are as set out below. In the event that the Company intends to purchase its own shares using external borrowings, the Board shall ensure that the Company shall have sufficient funds to repay the external borrowings and that the repayment would have no material effect on the cash flow of the Company.

5.1 Share Capital

(a) *If all Treasury Shares are cancelled / reduced*

In the event the Proposed Renewal of Share Buy-Back Authority is carried out in full and the Shares purchased are cancelled, the Proposed Renewal of Share Buy-Back Authority will result in the issued share capital of the Company being reduced as follows:

	No. of Shares
Existing share capital as at LPD	752,000,000
<i>Less: Treasury Shares</i>	<i>(12,936,968)</i>
<i>Less: Proposed Renewal of Share Buy-Back Authority (assuming all Purchased Shares are fully cancelled)</i>	<i>(62,263,032)</i>
Resultant issued share capital	<u>676,800,000</u>

(b) If held as Treasury Shares

The Proposed Renewal of Share Buy-Back Authority will have no effect on the total number of issued shares of the Company if the Purchased Shares are held as Treasury Shares and are not cancelled.

Pursuant to Section 127(8) of the Act, if the Purchased Shares are held as Treasury Shares, the holder of Treasury Shares shall not confer the right to attend or vote at meetings and any purported exercise of such rights is void and the right to receive dividends or other distribution, whether cash or otherwise, of the Company's assets including any distribution of assets upon winding up of the Company. Section 127(9) of the Act further provides that the Treasury Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at meetings.

5.2 Working Capital

The Proposed Renewal of Share Buy-Back Authority if exercised is likely to reduce the working capital and cash flow of the Company, the quantum of which depends on, amongst others, the purchase price and the actual number of Purchased Shares. Notwithstanding, it is not expected to have a material effect on the working capital and cash flow of the Company.

However, the Purchased Shares and maintained as Treasury Shares may increase the working capital of the Company, if the Treasury Shares are subsequently resold at a higher price than the initial purchase price (subject to the extent of the number of Treasury Shares resold and the prevalent selling price).

5.3 Earnings

The effect of the Proposed Renewal of Share Buy-Back Authority if carried out, may give rise to an increased earnings per share of the Company (subject to the purchase price, the actual number of shares bought back and the opportunity cost of the funds utilised for the Proposed Renewal of Share Buy-Back Authority).

If the Treasury Shares are subsequently sold on Bursa Securities, there will be no impact on the earnings as the gain or loss is taken directly to the equity.

5.4 NA per Share

The Proposed Renewal of Share Buy-Back Authority will reduce the NA per share if the purchase price exceeds the NA per share and conversely, will increase the NA per share if the purchase price is less than the NA per share. Should the Company chooses to retain any Purchased Shares as Treasury Shares and subsequently resell the Treasury Shares on Bursa Securities and, depending on the price at which the said Treasury Shares are resold, the Proposed Renewal of Share Buy-Back Authority may have a positive effect on the NA per share, if a gain is achieved on resale (but subject to the selling price and number of Treasury Shares resold).

5.5 Dividends

Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full, the share repurchase will have the effect of increasing the dividend rate per ordinary share of Pecca as a result of a decrease in the number of shares in Pecca which are entitled to participate in the dividends.

The Proposed Renewal of Share Buy-Back Authority may have an impact on the Company's dividend policy as it would reduce the amount of retained profits available for payment of cash dividends to its shareholders. Nevertheless, if the Purchased Shares are retained as Treasury Shares, the said Treasury Shares may be distributed as dividends to its shareholders, if the Company so decides. Accordingly, the Directors will fully consider the interest of the Company and its shareholders in implementing the Proposed Renewal of Share Buy-Back Authority.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM

Save for the incidental increase in the percentage of shareholdings of the Directors, major shareholders and persons connected to them as a result of the effective decrease in the total number of voting shares of the Company upon the Proposed Renewal of Share Buy-Back Authority, none of the Directors or major shareholders or persons connected to them has any interest in the Proposed Renewal of Share Buy-Back Authority or resale of the Treasury Shares.

The shareholdings of the Directors and major shareholders are as stated in Appendix I.

7. **PURCHASE, RESALE AND CANCELLATION OF PECCA SHARES MADE IN THE PREVIOUS 12 MONTHS**

During the past 12 months up to LPD, the Company had purchased 13,112,100* Shares and retained as Treasury Shares. Details of the share buy-back were as follows: -

Month	No. of Shares repurchased (units)	Lowest Price paid (RM)	Highest Price paid (RM)	Average Price paid (RM)	Total Consideration paid (RM)
19.07.2024	2,000	1.20	1.20	1.20	2,415.72
22.07.2024	1,954,000	1.17	1.21	1.19	2,336,251.16
23.07.2024	1,200,000	1.19	1.21	1.20	1,444,626.25
05.08.2024	2,451,000	1.18	1.20	1.19	2,941,509.41
06.08.2024	235,300	1.20	1.20	1.20	282,953.60
28.08.2024	200,000	1.22	1.22	1.22	244,512.40
29.08.2024	2,050,000	1.21	1.23	1.22	2,506,803.36
30.08.2024	600,000	1.21	1.22	1.22	731,554.03
02.09.2024	200,000	1.22	1.22	1.22	244,512.40
05.09.2024	584,900	1.21	1.22	1.22	712,674.21
06.09.2024	600,000	1.22	1.22	1.22	733,537.20
09.09.2024	1,642,900	1.20	1.22	1.21	1,992,740.41
10.09.2024	100,000	1.23	1.23	1.23	123,258.30
11.09.2024	350,000	1.25	1.26	1.26	440,908.99
12.09.2024	250,000	1.26	1.26	1.26	315,661.50
13.09.2024	100,000	1.26	1.26	1.26	126,264.60
24.09.2024	100,000	1.30	1.30	1.30	130,273.00
26.09.2024	100,000	1.27	1.27	1.27	127,266.70
27.09.2024	100,000	1.27	1.27	1.27	127,266.70
30.09.2024	292,000	1.27	1.28	1.28	373,608.71

As at LPD, a total of 13,328,968* Shares were held as Treasury Shares. The Company has not undertaken any resale, transfer or cancellation of its own shares in the twelve (12) months preceding the date of this Statement.

*Differences between actual shares purchased/retained as Treasury Shares and Records of Depository due to the delivery and settlement for all normal transactions being two trading days after the transaction date.

8. **PUBLIC SHAREHOLDING SPREAD**

As at the LPD, the public shareholding spread of the Company was 38.34%. Assuming that the Company purchases up to the maximum number of Shares as allowed under the Proposed Renewal of Share Buy-Back Authority, the public shareholding spread is expected to reduce to 32.67%.

The Company shall not buy-back any Shares if it results in the Company being in breach of the minimum public shareholding spread requirement of the Listing Requirements.

9. **IMPLICATION RELATING TO THE RULES**

In the event that the Company acquires the full amount of the Pecca Shares authorised under the Proposed Renewal of Share Buy-Back Authority and all Pecca Shares so acquired are held as Treasury Shares, the equity interest of the substantial shareholders and their respective parties acting in concert triggering the obligation to undertake a mandatory offer under Part B, Rule 4 of the Rules, an exemption will be sought from the Securities Commission of Malaysia before the purchase is made.

For illustration, if the equity interest of any one of the substantial shareholders and their respective parties acting in concert increases to more than thirty three per centum (33%) but less than fifty per centum (50%) of the voting shares of Pecca and such that their shareholdings of Pecca increases in a period of six (6) months from the dates of purchase by more than two per centum (2%), the affected substantial shareholder and parties acting in concert would be obliged to undertake a mandatory offer for the remaining Pecca Shares not held by the said affected substantial shareholder and parties acting in concert.

Securities Commission of Malaysia may grant a waiver to undertake a mandatory offer, subject to the affected substantial shareholder and parties acting in concert complying with certain conditions, if obligation is triggered as a result of any action outside its direct participation. The substantial shareholder of Pecca as disclosed in Section 6.0 herein has indicated that he intends to apply for the proposed exemption under Part B, Rule 4 of the Rules if the obligation is expected to be triggered as a result of the Proposed Renewal of Share Buy-Back Authority. The effects of the Proposed Renewal of Share Buy-Back Authority on his shareholdings are set out in Section 6.0 herein.

As at the LPD and based on our Company's Register of Substantial Shareholders, the provisions on mandatory takeovers under the Code will not be triggered by any shareholder of our Company solely by reason of the Proposed Renewal of Share Buy-Back Authority being carried out in full.

10. APPROVALS REQUIRED

The Proposed Renewal of Share Buy-Back Authority is subject to the approval of the shareholders of Pecca at the forthcoming 14th AGM by way of Ordinary Resolution.

11. DIRECTORS' RECOMMENDATION

The Board having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company, and accordingly recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming AGM.

12. AGM

The ordinary resolution to approve the Proposed Renewal of Share Buy-Back Authority is set out as Special Business in the notice of the 14th AGM, which is enclosed in the Annual Report for the financial year ended 30 June 2024. The AGM will be 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. or any adjournment thereof. The Notice of the 14th AGM of the Company together with the Proxy Form are set out in the Annual Report 2024 of the Company and this Statement can be downloaded from the Company's website at <https://peccagroup.com> or Bursa Securities's website at https://www.bursamalaysia.com/market_information/announcements/company_announcement. For further information, please refer to the Notice of the 14th AGM and Administrative Details on 14th AGM.

If you are unable to attend and vote at the AGM, please complete and return the Proxy Form in accordance with the instruction therein as soon as possible and should lodged at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending, participating and voting in person at the AGM should you subsequently decide to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

13. FURTHER INFORMATION

Shareholders are requested to refer to the enclosed Appendices I and II for further information.

Yours faithfully

For and on behalf of the Board of Directors of
Pecca Group Berhad

DATO' MOHAMED SUFFIAN BIN AWANG
INDEPENDENT NON-EXECUTIVE CHAIRMAN

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PART B

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



PECCA GROUP BERHAD
REGISTRATION NO. 201001025617 (909531-D)
(INCORPORATED IN MALAYSIA)

Registered Office:

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Date : 23 October 2024

The Board of Directors:

Dato' Mohamed Suffian Bin Awang (Independent Non-Executive Chairman)
Datuk Teoh Hwa Cheng (Group Managing Director)
Datuk Leong Kam Weng (Independent Non-Executive Director)
Dato' Dr. Norhizan Bin Ismail (Independent Non-Executive Director)
Datin Sam Yin Thing (Executive Director)
Teoh Zi Yi (Executive Director)
Teoh Zi Yuen (Executive Director)

To: The Shareholders of Pecca

Dear Sir/Madam,

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

1. INTRODUCTION

The shareholders of Pecca had at the 13th AGM of the Company held on 16 November 2023, obtained a mandate from its shareholders to enter into Recurrent Related Party Transactions with Related Party that are necessary for the day-to-day operations in ordinary course of business carried out on normal commercial terms and on terms not more favourable to the Related Party than those generally available to the public are not to the detriment of the minority shareholders. The said mandate shall in accordance with the Listing Requirements of Bursa Securities, lapse at the conclusion of the forthcoming AGM unless a fresh mandate is obtained from shareholders.

The Board had on 9 October 2024 made the announcement to Bursa Securities that the Company proposes to seek its shareholders' approval for the Proposed Renewal of Shareholders' Mandate in accordance with Paragraph 10.09, Part E of the Chapter 10 of the Listing Requirements of Bursa Securities.

The purpose of this Circular is to provide you with the relevant information on the Proposed Renewal of Shareholders' Mandate, to set out the recommendation of the Board and to seek your approval for the ordinary resolutions to be tabled at the forthcoming AGM. The notice of the AGM and the Proxy Form are included in the Annual Report of the Company for the financial year ended 30 June 2024.

2. DETAILS AND RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

2.1 Under Paragraph 10.09 of the Listing Requirements allows the Company to seek shareholders' mandate in respect of RRPT 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 transactions conducted pursuant to the shareholders' mandate during the financial year where, the Company with a share capital of RM60.0 million and above

must immediately announce such RRPT where:-

- (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is equal to or exceeds RM1,000,000; or
- (ii) the percentage ratio of such Recurrent Related Party Transactions is equal to or exceeds 1%,
whichever is the higher;
- (c) the issuance of a circular to shareholders by the listed issuer containing information as specified in the Listing Requirements;
- (d) in a meeting to obtain the shareholders' mandate, the interested director(s), interested major shareholder(s) and interested person(s) connected with the director(s) or major shareholders; and where it involves the interest of an interested person connected with the director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) to immediately announce to Bursa Securities when the actual value of the RRPT entered into, 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.

Where the Company has obtained shareholders' mandate in respect of RRPT, the provisions under paragraph 10.08 of the Listing Requirements shall not apply during the validity period of the shareholders' mandate.

2.2 Background information

The principal activity of Pecca is investment holding whilst its subsidiary companies are principally involved in the business of styling, manufacturing, distribution and installation of upholstery for car seat covers, supply of leather cut pieces to the automotive leather upholstery industry and other services related to the automotive upholstery industry, and manufacturing and distribution of healthcare products.

The subsidiary company of Pecca which is involved in the RRPT is set out in the table below:

Name of Company	Equity interest held	Principal Activities
PLSB	100%	(1) Styling, manufacturing, distribution and installation of upholstery car seat covers, supply of leather cut pieces to the automotive upholstery industry and other services related to the automotive upholstery industry; (2) Manufacturers, processors, producers, purchasers, sellers, blenders, importer, exporter, wholesaler and/or retail trader, in all kinds of personal care products including their equipment and raw materials; and (3) Transportation services.

It is anticipated that Pecca would, in the ordinary course of its business, enter into the RRPT which are necessary for its day-to-day operations with the classes of Related Party(ies) which are disclosed in Section 2.3 of this Circular. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

2.3 Classes of Related Party(ies) and Nature of RRPT

The Proposal will apply to the classes of Related Party(ies) and nature of RRPT set out in the table below, relating to provisions of or obtaining from, the Related Party(ies), products and services in the ordinary course of business of Pecca.

The principal activity of the Related Party is as follows:

Related Party	Principal Activity
RHSB	Export and Import of Pharmaceutical and Medical Goods; Research and Development on Information Communication Technology (ICT)

The details of the Related Parties and RRPT in relation to the Proposed Renewal of Shareholders' Mandate is as follows:-

Pecca Group with the following Related Parties	Pecca and/or its subsidiary companies	Nature of Transaction undertaken by/provided to Pecca and/or its subsidiaries	Estimated Value of transaction from the date of the forthcoming 14 th AGM to the date of the Fifteenth AGM ⁽¹⁾ (RM'000)	Actual value transacted from 16 November 2023 to 30 September 2024 (RM'000)	Estimated value of transaction as disclosed in the preceding year's Circular (RM'000)
RHSB ⁽²⁾	PLSB	Supply of Personal Protective Equipment Product such as Facemask, Face Shield, Bouffant Caps, Gown, Shoe Covers and Jumpsuits by PLSB to RHSB.	5,000	1,460	10,000
Total			5,000	1,460	10,000

Notes:-

- (1) The Estimated Value of the transactions is based on Management's estimates of the value of transactions to be undertaken for the period from the date of the forthcoming 14th AGM to the date of the next AGM. However, the value of transactions may be subject to changes.
- (2) The estimation value as set out above are based on consideration of projected capital expenditure, current ongoing contracts, projected orders from our customers, and also projected award of new contracts for the Group. The actual value of new contracts and orders may vary and may not be similar with the estimated aggregate value shown.
- (3) The estimated values as set out above are to cover the high amount of transaction value for its upcoming major projects such as large-scale projects taking into consideration of its complexity, nature of work, technology involved, man-hour of the project and etc, which require substantial expenditure.
- (4) None of the actual value of the recurrent transactions has exceeded the estimated value by 10% or more.

Nature of Relationship:-

- (1) Datuk Teoh Hwa Cheng, a Group Managing Director and Major Shareholder (through his direct and indirect interest) of Pecca, is the spouse of Datin Sam Yin Thing and father of Teoh Zi Yuen and Teoh Zi Yi.
- (2) Datin Sam Yin Thing, a Director and Major Shareholder (through her direct and indirect interest) of Pecca, is the spouse of Datuk Teoh Hwa Cheng and mother of Teoh Zi Yuen and Teoh Zi Yi.
- (3) Teoh Zi Yuen, the daughter of Datuk Teoh Hwa Cheng and Datin Sam Yin Thing, and sister of Teoh Zi Yi. She is a Director of Pecca and also the Director and Shareholder of RHSB.
- (4) Teoh Zi Yi, the Director of Pecca, is the son of Datuk Teoh Hwa Cheng and Datin Sam Yin Thing, and the brother of Teoh Zi Yuen.
- (5) MRZ Leather Holdings Sdn Bhd is a major shareholder of Pecca, in which the directors and major shareholders are Datuk Teoh Hwa Cheng and Datin Sam Yin Thing.
- (6) RHSB, is a person connected to Teoh Zi Yuen, by virtue of her direct interests in RHSB pursuant to Section 8 of the Act.
- (7) RHSB, is a person connected to Datuk Teoh Hwa Cheng and Datin Sam Yin Thing, by virtue of their daughter's interests in RHSB pursuant to Section 8 of the Act.
- (8) RHSB, is a person connected to Teoh Zi Yi, by virtue of his sister's interests in RHSB pursuant to Section 8 of the Act.

The shareholdings of the interested party in the related company are as follows:

	Direct interest (%)	Indirect interest (%)
RHSB		
Teoh Zi Yuen	99.99%	-

2.4 Guidelines and Review Procedures for RRPT

- (a) The Audit and Risk Management Committee ("ARMC") of Pecca has in place adequate procedures and processes to monitor, track and identify Recurrent Transactions in a timely and orderly manner, and the frequency of review of these procedures and processes;
- (b) The ARMC periodically reviews the procedures set by Pecca to monitor related party transactions to ensure that these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to the public and are not

- detrimental to the minority shareholders of the Company. All reviews by the ARMC are reported to the Board for further action. In its review and approval of such transactions, the ARMC may, as it deems fit, request for additional information pertaining to the transactions from independent sources or professionals;
- (c) The transaction prices are based on prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;
 - (d) On determining the transaction price, at least two (2) other contemporaneous transactions with unrelated third parties for similar products and/or services will be used as comparison, wherever practical/possible, to determine whether 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 products and/or services. Where quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price and terms will be determined based on those offered by/to other unrelated parties for the same or substantially similar type of transaction, to ensure that the Recurrent Related Party Transactions are not detrimental to Pecca Group;
 - (e) All the Directors and Major Shareholders are required to declare and disclose any transaction in which they are deemed interested and such transactions must be subject to the scrutiny of the ARMC. In addition, the Directors and Major Shareholders have given their undertakings that all business transactions entered into between the Group and themselves and/or Persons Connected with them shall be negotiated on and agreed at arm's length basis on 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.
 - (f) Pecca has established a process for all RRPTs reporting, given as follows:
 - i. Provision of available details of the proposed commercial agreement/contract and submission to Group Finance of PECCA;
 - ii. Check for RRPT element and contract value;
 - iii. Obtain verification from Group Finance of PECCA;
 - iv. If it is RRPT, prepare draft agreement/contract;
 - Provision of available details of the proposed commercial agreement/ contract and submission to Group Finance and the Company Secretary of Pecca;
 - Check for RRPT element and contract value;
 - Obtain verification from the Company Secretary and Group Finance of Pecca;
 - If it is RRPT, prepare draft agreement/ contract;
 - v. Table to ARMC and Board (depending on authority limits) on a quarterly basis.
 - (g) The Audit and Risk Management Committee shall review on the internal audit reports whenever available and to establish that all transactions with the Related Parties have been undertaken in accordance with the procedures put in place by Management of the Group.
 - (h) All RRPTs in excess of RM500,000/- to be entered by the Group shall be subject to the review and approval of the Audit and Risk Management Committee and/or Board of Directors and/or Shareholders of the Company before the transactions are carried out except for Recurrent Transaction where general mandate to enter into such transaction has been obtained from the shareholders at general meeting.
 - (i) All RRPTs of RM500,000/- and below shall be approved by the Executive Directors of the Company provided that the Executive Director(s) is not an interested party to the transaction and table to the Audit and Risk Management Committee every quarter for information, except for Recurrent Transaction(s) where general mandate to enter into such transaction has been obtained from the shareholders at general meeting.
 - (j) Disclosure will be made in the Company's Annual Report of the breakdown of the aggregate value of Recurrent Transactions conducted, types of Recurrent Transactions made, names of the Related Party or Parties involved in each type of RRPT and their relationship with the Company pursuant to the Proposed Renewal of Shareholders' Mandate during the financial year, and in the Annual Report for the subsequent financial year that the Proposed Renewal of Shareholders' Mandate continues to be in force (if any).

Save and except as disclosed in Section 2.3, none of the members of the ARMC has any interest in any of the RRPT.

2.5 Statement by the Audit and Risk Management Committee

The ARMC of Pecca has seen and reviewed the procedures mentioned in Section 2.4 above and is of the opinion that the abovementioned procedures, as well as the periodic reviews on a quarterly basis to be made by the ARMC in relation thereto, are sufficient to ensure that the RRPT are carried out on an arm's length basis and on normal commercial terms and on terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interests of the minority shareholders.

The ARMC is also of the view that Pecca Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner and such procedures and processes are reviewed by the ARMC and/or the management staff as and when necessary.

As at the date of the Circular, the composition of the ARMC is as follows:

Datuk Leong Kam Weng (Independent Non-Executive Director) – Chairman
 Dato' Mohamed Suffian Bin Awang (Independent Non-Executive Chairman) – Member
 Dato' Dr. Norhizan Bin Ismail (Independent Non-Executive Director) – Member

2.6 Benefits to the Group from the RRPT

The RRPT entered into by Pecca Group are intended to meet business needs at the best possible terms. The Pecca Group should be able to generate sales revenue from its customers which includes its Related Party. Transacting with its Related Party also enhances the ability to explore other business opportunities which will be beneficial to the Pecca Group. Further, the close working relationship with the Related Party in the RRPT will ensure timely delivery and provision of services, commitment and reliability of quality services for the Pecca Group, to enable the smooth operation of the day-to-day business of the Pecca Group.

3. RATIONALE FOR, AND THE BENEFIT TO PECCA GROUP FROM TRANSACTING WITH RHSB

The rationale for the Proposed Renewal of Shareholders' Mandate and the benefits of Pecca Group transacting with the Related Party(ies) are as follow:

- (a) To facilitate transactions of a revenue or trading nature with the Related Party(ies) which form part of the day-to-day operations of Pecca Group in ordinary course of business, undertaken at arm's length, on normal commercial terms and are not detrimental to the minority shareholders.
- (b) To avoid the impracticality of seeking shareholders' approval on a case by case basis before entering into business opportunities or recurrent related party transactions which are time-sensitive and/or confidential in nature, the Proposed Renewal of Shareholders' Mandate will enhance Pecca Group's ability to pursue recurrent related party transactions without having to place the Group at a disadvantage as compared with its competitors who may not be required to obtain shareholders' approval; and
- (c) The Proposed Renewal of Shareholders' Mandate will eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur and thus will reduce substantially administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising Pecca Group's corporate objectives.

4. AMOUNT DUE AND OWING BY RELATED PARTIES PURSUANT TO RECURRENT RELATED PARTY TRANSACTIONS

As at LPD, the breakdown of the principal sum and interest for the total outstanding amount due under the RRPT which exceeded the following credit term are as follows:

Related Party	Exceeded credit terms for	Outstanding RRPT Receivables	
		Principal (RM)	Interest (RM)
RHSB	a period of 1 year or less	1,003,817	NIL
	a period of more than 1 to 3 years	462,898	NIL
	a period of more than 3 to 5 years	NIL	NIL
	a period of more than 5 years	NIL	NIL
Total outstanding amount		1,466,715	NIL

The Board of Directors is aware of the outstanding amount that exceeded the credit period and opined that outstanding debts exceeding the credit period do occur in the normal course of business. Further, the Board of Directors is of the opinion that the above outstanding debts are collectable and has actively meeting and negotiating with the related party. The management would monitor the outstanding debts and follow up with the related parties on the collection.

There are no late payment charges or interest imposed on the above overdue trade receivables as the overdue amounts are not substantial.

5. APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate is subject to the approval being obtained from the shareholders of the Company at the forthcoming 14th AGM.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM

The direct and indirect shareholdings of the interested Directors, interested Major Shareholders and interested Persons Connected with them in the Company as at LPD are as follows:

6.1 Interested Directors

Name	Shareholding			
	Direct		Indirect	
	Shares	% ⁽¹⁾	Shares	% ⁽¹⁾
Datuk Teoh Hwa Cheng	24,367,296	3.30	373,075,532 ⁽²⁾	50.48
Datin Sam Yin Thing	53,461,276	7.23	373,075,532 ⁽²⁾	50.48
Teoh Zi Yi	1,293,032	0.17	-	-
Teoh Zi Yuen	-	-	-	-

6.2 Interested Major Shareholders

Name	Shareholding			
	Direct		Indirect	
	Shares	% ⁽¹⁾	Shares	% ⁽¹⁾
MRZ Leather Holdings Sdn Bhd	373,075,532	50.48	-	-
Datuk Teoh Hwa Cheng	24,367,296	3.30	373,075,532 ⁽²⁾	50.48
Datin Sam Yin Thing	53,461,276	7.23	373,075,532 ⁽²⁾	50.48

6.3 Interested Persons Connected

Name	Shareholding			
	Direct		Indirect	
	Shares	% ⁽¹⁾	Shares	% ⁽¹⁾
Sam Chee Keng	120,096 ⁽³⁾	0.02	-	-
Sam Chee Siong	2,400,000 ⁽⁴⁾	0.32	-	-
Teoh Kah Choo	110,060 ⁽⁵⁾	0.01	-	-

Note:

- (1) Based on the total number of issued shares of Pecca of 752,000,000 Shares less 12,936,968 Shares held as Treasury Shares.
- (2) Deemed interested in shares held by MRZ Leather Holdings Sdn Bhd in the Company pursuant to Section 8 of the Act.
- (3) Sam Chee Keng is a person connected to Datuk Teoh Hwa Cheng and Datin Sam Yin Thing. He is the sibling of Datin Sam Yin Thing and Sam Chee Siong, and Brother-in-Law of Datuk Teoh Hwa Cheng.
- (4) Sam Chee Siong is a person connected to Datuk Teoh Hwa Cheng and Datin Sam Yin Thing. He is the sibling of Datin Sam Yin Thing and Sam Chee Keng, and Brother-in-Law of Datuk Teoh Hwa Cheng.
- (5) Teoh Kah Choo is a person connected to Datuk Teoh Hwa Cheng and Datin Sam Yin Thing. She is the sibling of Datuk Teoh Hwa Cheng and Sister-in-Law of Datin Sam Yin Thing.

- (a) The interested Directors and MRZ Leather Holdings Sdn Bhd being a Major Shareholder will abstain from voting in respect of their direct and/or indirect shareholdings on the ordinary resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.
- (b) Datuk Teoh Hwa Cheng, Datin Sam Yin Thing, Teoh Zi Yi and Teoh Zi Yuen are deemed interested in the Proposed Renewal of Shareholders' Mandate in respect of RRPT as these Directors are deemed interested in the shares of RHSB. These Directors have abstained and will continue to abstain from all deliberations and voting on the Proposed Renewal of Shareholders' Mandate in respect of the RRPT to be entered with RHSB at all Board meetings.
- (c) The interested Directors and Major Shareholder have also undertaken that they will ensure that Persons Connected with them will abstain from voting on the ordinary resolution deliberating or approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.
- (d) Save as disclosed, none of the other Directors and Major Shareholders of Pecca and/or Persons Connected with them, as defined in the Listing Requirements have any interest, direct or indirect in the Proposed Renewal of Shareholders' Mandate.

7. DIRECTORS' RECOMMENDATION

The Board, (with the exception of Datuk Teoh Hwa Cheng, Datin Sam Yin Thing, Teoh Zi Yuen and Teoh Zi Yi) after having considered all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the Company, and accordingly, the Board (with the exception of Datuk Teoh Hwa Cheng, Datin Sam Yin Thing, Teoh Zi Yuen and Teoh Zi Yi who have abstained from making a recommendation and giving an opinion on the Proposed Renewal of Shareholders' Mandate in respect of RRPT to be entered with RHSB) recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 14th AGM.

8. AGM

The ordinary resolution to approve the Proposed Renewal of Shareholders' Mandate is set out as Special Business in the notice of the 14th AGM, which is enclosed in the Annual Report for the financial year ended 30 June 2024. The AGM will be 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. or any adjournment thereof. The Notice of the 14th AGM of the Company together with the Proxy Form are set out in the Annual Report 2024 of the Company and this Statement can be downloaded from the Company's website at <https://peccagroup.com> or Bursa Securities's website at https://www.bursamalaysia.com/market_information/announcements/company_announcement. For further information, please refer to the Notice of the 14th AGM and Administrative Details on 14th AGM.

If you are unable to attend and vote at the AGM, please complete and return the Proxy Form in accordance with the instruction therein as soon as possible and should lodged at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending, participating and voting in person at the AGM should you subsequently decide to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

9. FURTHER INFORMATION

Shareholders are requested to refer to the enclosed Appendix II for further information.

Yours faithfully

For and on behalf of the Board of Directors of
Pecca Group Berhad

DATO' MOHAMED SUFFIAN BIN AWANG
INDEPENDENT NON-EXECUTIVE CHAIRMAN

1. Directors' Shareholdings as at the LPD

	Before the Proposed Renewal of Share Buy-Back Authority				After the Proposed Renewal of Share Buy-Back Authority			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Dato' Mohamed Suffian Bin Awang	435,364	0.06	-	-	435,364	0.06	-	-
Datuk Teoh Hwa Cheng	24,367,296	3.30	373,075,532 ⁽³⁾	50.48	24,367,296	3.60	373,075,532 ⁽³⁾	55.12
Datin Sam Yin Thing	53,461,276	7.23	373,075,532 ⁽³⁾	50.48	53,461,276	7.90	373,075,532 ⁽³⁾	55.12
Teoh Zi Yi	1,293,032	0.17	-	-	1,293,032	0.19	-	-
Teoh Zi Yuen	-	-	-	-	-	-	-	-
Datuk Leong Kam Weng	435,364	0.06	-	-	435,364	0.06	-	-
Dato' Dr. Norhizan Bin Ismail	-	-	-	-	-	-	-	-

Notes:

- (1) Based on the total number of issued shares of Pecca of 752,000,000 Shares less 12,936,968 Shares held as Treasury Shares.
- (2) Based on the total number of issued shares of Pecca of 752,000,000 Shares less 75,200,000 Shares held as Treasury Shares.
- (3) Deemed interested in shares held by MRZ Leather Holdings Sdn Bhd in the Company pursuant to Section 8 of the Act.

2. Major Shareholders' Shareholdings as at the LPD

	Before the Proposed Renewal of Share Buy-Back Authority				After the Proposed Renewal of Share Buy-Back Authority			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
MRZ Leather Holdings Sdn Bhd	373,075,532	50.48	-	-	373,075,532	55.12	-	-
Datuk Teoh Hwa Cheng	24,367,296	3.30	373,075,532 ⁽³⁾	50.48	24,367,296	3.60	373,075,532 ⁽³⁾	55.12
Datin Sam Yin Thing	53,461,276	7.23	373,075,532 ⁽³⁾	50.48	53,461,276	7.90	373,075,532 ⁽³⁾	55.12

Notes:

- (1) Based on the total number of issued shares of Pecca of 752,000,000 Shares less 12,936,968 Shares held as Treasury Shares.
(2) Based on the total number of issued shares of Pecca of 752,000,000 Shares less 75,200,000 Shares held as Treasury Shares.
(3) Deemed interested in shares held by MRZ Leather Holdings Sdn Bhd in the Company pursuant to Section 8 of the Act.

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular and Statement has been seen and approved by the Directors of Pecca who collectively and individually accept full responsibility for the accuracy of the information given 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 in this Circular and Statement misleading.

2. MATERIAL CONTRACT

As at the date of this Circular and Statement, neither Pecca nor Pecca's subsidiaries have entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business of Pecca and/or any of its subsidiaries) within the past two (2) years immediately preceding the date of this Circular and Statement.

3. MATERIAL LITIGATION, CLAIM AND ARBITRATION

As at the date of this Circular and Statement, neither Pecca nor Pecca's subsidiaries are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which may have a material effect on our Company's financial position, and our Directors are not aware of any proceedings, pending or threatened against our Group or of any facts likely to give rise to any proceedings which may materially and adversely affect our financial position or business.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of Pecca which is located at the office of Boardroom Corporate Services Sdn. Bhd. at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal office hours from Monday to Friday (except public holidays) from the date of this Circular/ Statement up to and including the date of the 14th AGM:-

- (i) Constitution of Pecca; and
- (ii) The latest audited consolidated financial statements of Pecca for the financial years ended 30 June 2023 and 30 June 2024.