



PECCA
GROUP BERHAD

25
YEARS



**CRAFTED THROUGH TIME.
ENGINEERED FOR TOMORROW.**

Scaling New Dimensions of Growth

Integrated Annual Report 2026

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Abbreviations

AAPG - Audit and Assurance Practice Guide

ABAC - Anti-Bribery and Anti-Corruption

AGM - Annual General Meeting

AMO - Approved Maintenance Organisation

ARMC - Audit and Risk Management Committee

ASEAN - Association of Southeast Asian Nations

Board - Board of Directors

BOM - Bill of Materials

Bursa Malaysia - Bursa Malaysia Securities Berhad

Bursa Malaysia CG Guide - Bursa Malaysia Corporate Governance Guide (4th Edition)

Bursa Malaysia MMLR - Bursa Malaysia Main Market Listing Requirements

Bursa Malaysia SR Guide - Bursa Malaysia Sustainability Reporting Guide (3rd Edition)

CAAM - Civil Aviation Authority of Malaysia

CAAS - Civil Aviation Authority of Singapore

CAAT - Civil Aviation Authority of Thailand

CAGR - Compound Annual Growth Rate

CEO - Chief Executive Officer

CFO - Chief Financial Officer

COI - Conflict of interest

COO - Chief Operating Officer

COVID-19 - CoronaVirus Disease of 2019

CPA - Certified Practising Accountant

CSR - Corporate Social Responsibility

CSS - Customer Satisfaction Survey

DGCA - Directorate General of Civil Aviation of Indonesia

DGTA - Directorate General Technical Airworthiness of Malaysia

DOSH - Department of Occupational Safety and Health

EASA - European Union Aviation Safety Agency

EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortisation

EESG - Economic, Environmental, Social, and Governance

EHS - Environmental, Health, and Safety

EMS - Environmental Management System

EPS - Earnings Per Share

ESG - Environmental, Social, and Governance

ESOS - Employees' Share Option Scheme

EV - Electric Vehicle

F4GBM Index - FTSE4Good Bursa Malaysia Index

F4GBMS Index - FTSE4Good Bursa Malaysia Shariah Index

FMM - Federation of Malaysian Manufacturers

FY2021 - Financial Year from 1 July 2020 to 30 June 2021

FY2022 - Financial Year from 1 July 2021 to 30 June 2022

FY2023 - Financial Year from 1 July 2022 to 30 June 2023

FY2024 - Financial Year from 1 July 2023 to 30 June 2024

FY2025 - Financial Year from 1 July 2024 to 30 June 2025

FY2026 - Financial Year from 1 July 2025 to 30 June 2026

GHG - Greenhouse Gas

GJ - Gigajoules

GMD - Group Managing Director

GRI Standards - Global Reporting Initiative Sustainability Reporting Standards 2022

HIRARC - Hazard Identification, Risk Assessment, and Risk Control

HOD - Head of Department

IAQG - International Aerospace Quality Group

IAR - Integrated Annual Report

IATA - International Air Transport Association

IATF - International Automotive Task Force

IFRS S1 & S2 - International Financial Reporting Standards S1 & S2

IoT - Internet of Things

IPCC - Intergovernmental Panel on Climate Change

IPO - Initial Public Offering

<IR> Framework - International Integrated Reporting Framework

ISO - International Organisation for Standardisation

KPI - Key Performance Indicator

LED - Light-Emitting Diode

LIMA - Langkawi International Maritime and Aerospace Exhibition

LPG - Liquefied Petroleum Gas	POA - Production Organisation Approval
LTI - Lost-Time Injury	PPE - Personal Protective Equipment
m - Metres	PT PGI - PT Pecca Gemilang Indonesia
M&A - Mergers and Acquisitions	PU - Polyurethane
MAA - Malaysian Automotive Association	PV - Photovoltaic
MAIA - Malaysia Aerospace Industry Association	PVA - Proton Vendors Association
MACPMA - Malaysian Automotive Component Parts Manufacturers	PVC - Polyvinyl Chloride
MARii - Malaysia Automotive, Robotics and IoT Institute	QA - Quality Assurance
MASAAM - Motorcycle & Scooter Assemblers and Distributors Association of Malaysia	R&D - Research and Development
MCCG - Malaysian Code on Corporate Governance 2021	RC - Remuneration Committee
MFRS - Malaysian Financial Reporting Standards	RCP - Representative Concentration Pathways
MIA - Malaysian Institute of Accountants	REM - Replacement Equipment Manufacturer
MIDA - Malaysian Investment Development Authority	RM - Ringgit Malaysia
MIS/IT - Management Information System/Information Technology	ROE - Return on Equity
MITI - Ministry of Investment, Trade, and Industry	RPK - Revenue Passengers Kilometers
ML - Megalitre	RPTs - Related Party Transactions
MOH - Ministry of Health	RRPTs - Recurrent Related Party Transactions
MOM - Manufacturing Operations Management	SAP - System Applications and Products in Data Processing
MOU - Memorandum of Understanding	SEA - Southeast Asia
MRO - Maintenance, Repair, and Overhaul	SOP - Standard Operating Procedure
MT - Metric Tonne	SORMIC - Statement on Risk Management and Internal Control
mtCO₂e - Metric Tonnes of Carbon Dioxide Equivalent	sq ft - Square Feet
NC - Nomination Committee	SS - Sustainability Statement
NDA - Non-Disclosure Agreement	SSM - Suruhanjaya Syarikat Malaysia
NGFS - Network for Greening the Financial System	SWC - Sustainability Working Committee
OEM - Original Equipment Manufacturer	SWG - Sustainability Working Group
OHS - Occupational Health and Safety	TCFD - Task Force on Climate-Related Financial Disclosures
P2SA - Perodua Suppliers Association	TIV - Total Industry Volume
PAT - Profit After Tax	UK - United Kingdom
PBT - Profit Before Tax	UN SDGs - United Nations Sustainable Development Goals
PDI - Pre-Delivery Inspection	US - United States of America
Pecca/the Company - Pecca Group Berhad	USD - United States Dollar
Pecca Aviation - Pecca Aviation Services Sdn. Bhd.	VAVE - Value Analysis and Value Engineering
Pecca Group/the Group - Pecca and its subsidiaries	YoY - Year-on-Year
PO - Purchase Order	



I.

INTEGRATED ANNUAL REPORT 2026

Overview

About This Report

05

About This Report

We proudly present our IAR for FY2026, marking Pecca Group Berhad's second reporting cycle under the <IR> Framework.

Leveraging integrated reporting principles, our IARs provide our stakeholders with a comprehensive view of how we combine our strategy, governance, business activities and sustainability considerations to contribute to sustainable value creation across the short, medium, and long term.



REPORTING FRAMEWORKS

Our IAR 2026 has been prepared with reference to the following standards and guidelines:

- <IR> Framework
- Bursa Malaysia CG Guide
- Bursa Malaysia MMLR
- Malaysian Companies Act 2016
- MCGG
- MFRS

The report should be read alongside our SS 2026, which provides a more detailed account of our management approach and performance relating to material ESG matters, guided by the following frameworks and standards:

- Bursa Malaysia MMLR
- GRI Standards
- IFRS S1 and S2
- SC Malaysia's NSRF
- UN SDGs

Additional information relating to our corporate governance practices, policies, and procedures, as well as the digital version of this IAR 2026 and past IARs and annual reports, can be accessed via our corporate website at <https://peccagroup.com>.

REPORTING SCOPE & BOUNDARY

This report covers our operations, activities, and performance for the financial year ended 30 June 2026, encompassing the period from 1 July 2025 to 30 June 2026. Unless otherwise indicated, disclosures presented herein build upon information reported in previous reporting cycles.

FORWARD-LOOKING STATEMENTS

Certain statements in this IAR 2026 are forward-looking in nature and reflect our current expectations regarding future plans, priorities, objectives, and anticipated performance.

As these statements relate to future events and circumstances, they are subject to risks, uncertainties, and assumptions that may cause actual outcomes to differ materially from those anticipated. Factors influencing these outcomes may include changing market conditions and other developments that may not be foreseeable at the time of reporting.

Accordingly, these statements should not be interpreted as guarantees or assurances of future performance or

achievement. Readers are advised to exercise caution and avoid placing undue reliance on such statements. We assume no obligation to update or revise any forward-looking statements in response to subsequent events or new information, unless required by law.

STAKEHOLDER RELATIONSHIPS & MATERIALITY

The principles of stakeholder responsiveness and materiality underpin our integrated reporting approach. Through regular engagement with our stakeholders and a structured assessment of material topics, we identify the issues that are most relevant to our business and those who are affected by our activities.

This process helps us prioritise matters that warrant focused attention, enabling informed decision-making and directing our efforts towards areas where we can deliver meaningful and lasting value.

VALUE CREATION

Our Value Creation Business Model illustrates how we utilise and transform the resources available to us, represented through the Six Capitals of the <IR> Framework, to produce outcomes that benefit both the Group and its stakeholders.

By demonstrating the interdependencies between our resources, strategic priorities, business activities, risks, and material matters, the model provides a holistic picture of how value is created, preserved, and strengthened over time within our business and beyond.



About This Report

OUR SIX CAPITALS

F FINANCIAL CAPITAL

Our financial assets, including cash generated from our operations and investments, and other sources of funding.

M MANUFACTURED CAPITAL

Our physical assets, including our factories, machinery, technology, and other physical assets.

I INTELLECTUAL CAPITAL

Our established and systematic processes and procedures, collective knowledge and expertise, reputation, and brand values in our markets and industries of operation.

H HUMAN CAPITAL

Our dynamic leadership, skilled workforce, their experience and competencies, and their contributions to the growth of our business.

S SOCIAL & RELATIONSHIP CAPITAL

Our long-standing and trust-based relationships with our stakeholders.

N NATURAL CAPITAL

The natural resources we utilise in our business processes.

OUR KEY STAKEHOLDERS



Board of Directors



Customers



Investors



Employees



Suppliers



Governments and Regulators



Community

OUR GROWTH STRATEGIES

Our strategic growth agenda is anchored by 4 Key Pillars that guide our business expansion and future development:



Pillar 1: OEM



Pillar 2: REM



Pillar 3: Aviation



Pillar 4: Emerging Ventures

RISK FACTORS

To facilitate effective oversight and management, we classify our principal risks into four categories based on the nature of their potential impact:

1. Strategic Risk

Risks that may affect the Group's ability to achieve its overall vision, mission, and strategic objectives

2. Operational Risk

Risks that may impact the effectiveness and efficiency of the Group's operations

3. Financial Risk

Risks that may affect the financial position of the Group

4. Compliance Risk

Risks that may affect the Group's ability to comply with all relevant regulatory requirements

INTEGRATED REPORTING ACKNOWLEDGEMENT STATEMENT

The Board acknowledges its responsibility for the preparation and integrity of this IAR 2026, and is satisfied that it addresses the material matters that may influence our ability to create sustainable value over time.

Assisted by a dedicated reporting team, the Board oversaw the development of this IAR with due consideration of the principles and content elements of the <IR> Framework to ensure that it appropriately reflects our integrated approach to reporting and value creation.

The Board further believes that this report provides a fair, balanced, and comprehensive representation of our financial and non-financial performance, position, and outlook.

This IAR 2026 was approved by the Board on 8 October 2026.



I.

INTEGRATED ANNUAL REPORT 2026

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ABOUT PECCA

Pecca Group Berhad is Malaysia's leading provider of automotive seat covers and upholstery solutions. Listed on the Main Market of Bursa Malaysia under the Industrial Products & Services sector since 19 April 2016, we have built a strong reputation through our in-house expertise, advanced manufacturing capabilities, and decades of industry experience.

Today, we serve both domestic and international markets, with a customer portfolio that includes Malaysia's leading automotive manufacturers, Perodua and Proton, as well as prominent Japanese marques such as Toyota, Nissan, and Mitsubishi.

While automotive upholstery manufacturing remains our core strength, we continue to broaden our growth horizons by expanding into new markets and business segments. As part of this strategy, we have established a presence in Indonesia, one of SEA's largest automotive markets, to capture emerging opportunities and strengthen our regional footprint.

Beyond the automotive sector, we have also diversified into the aviation MRO industry – a specialised segment characterised by attractive margins and high barriers to entry. By leveraging our extensive experience in upholstery design, craftsmanship, and manufacturing excellence, we aspire to become a trusted aviation interiors and MRO partner serving airlines and the broader aviation ecosystem.

To support our transformation journey and long-term growth ambitions, we have established a strategic framework anchored by 4 Key Pillars:



OEM

Expand our presence in the OEM segment while localising production capabilities for luxury automotive brands.

Pillar
1



REM

Strengthen our market share in the REM segment, both domestically and internationally.

Pillar
2



Aviation

Establish ourselves as SEA's leading provider of aircraft interior solutions, upholstery services, and aviation MRO capabilities.

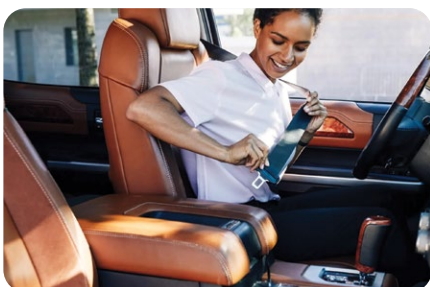
Pillar
3



Emerging Ventures

Capture new growth opportunities through strategic diversification and the pursuit of synergistic acquisitions.

Pillar
4



As we advance our growth agenda, we remain steadfast in our commitment to quality, innovation, transparency, sustainability, and regulatory compliance. Guided by these principles, we strive to create long-term value for our stakeholders while reinforcing our position as a leader in both the automotive and aviation industries.



CORPORATE MEMBERSHIPS & ASSOCIATIONS

We actively engage with industry associations and professional organisations to exchange knowledge, adopt leading practices, and remain abreast of emerging trends and developments shaping the industries in which we operate. Through these memberships, we strengthen our capabilities, foster collaboration, and support the sustainable advancement of our business and the wider industry ecosystem.

We are proud to be members of the following associations and organisations:

FMM  FEDERATION OF MALAYSIAN MANUFACTURERS	IAQG  INTERNATIONAL AEROSPACE QUALITY GROUP	
MAA  MALAYSIAN AUTOMOTIVE ASSOCIATION	MACPMA 	
MAIA  Malaysia Aerospace Industry Association	MARIC  Malaysia Rail Industry Corporation	
MASAAM  Malaysia & Supplier Assemblers And Distributors Association of Malaysia	P2SA  PERODUA SUPPLIERS ASSOCIATION	PVA  PERKAMPARAN PEMBELAJARAN PROTON VENDOR ASSOCIATION

Our Guiding Principles



VISION

To be the leading upholstery manufacturer globally in the automotive industry and a top player for aircraft interiors and MRO in aviation industry



MISSION

To keep exceeding our customers' expectations in design, quality and innovation, and fostering sustainability and long-term partnerships



MOTTO

Passion for Perfection

Our Presence



Malaysia



PECCA
GROUP BERHAD



PECCA
LEATHER



PECCA
AVIATION SERVICES



EVOLUSI
MOBILITI SDN BHD



Our Presence



Thailand



PECCA
LEATHER
(THAILAND)



Indonesia



PECCA GEMILANG
INDONESIA

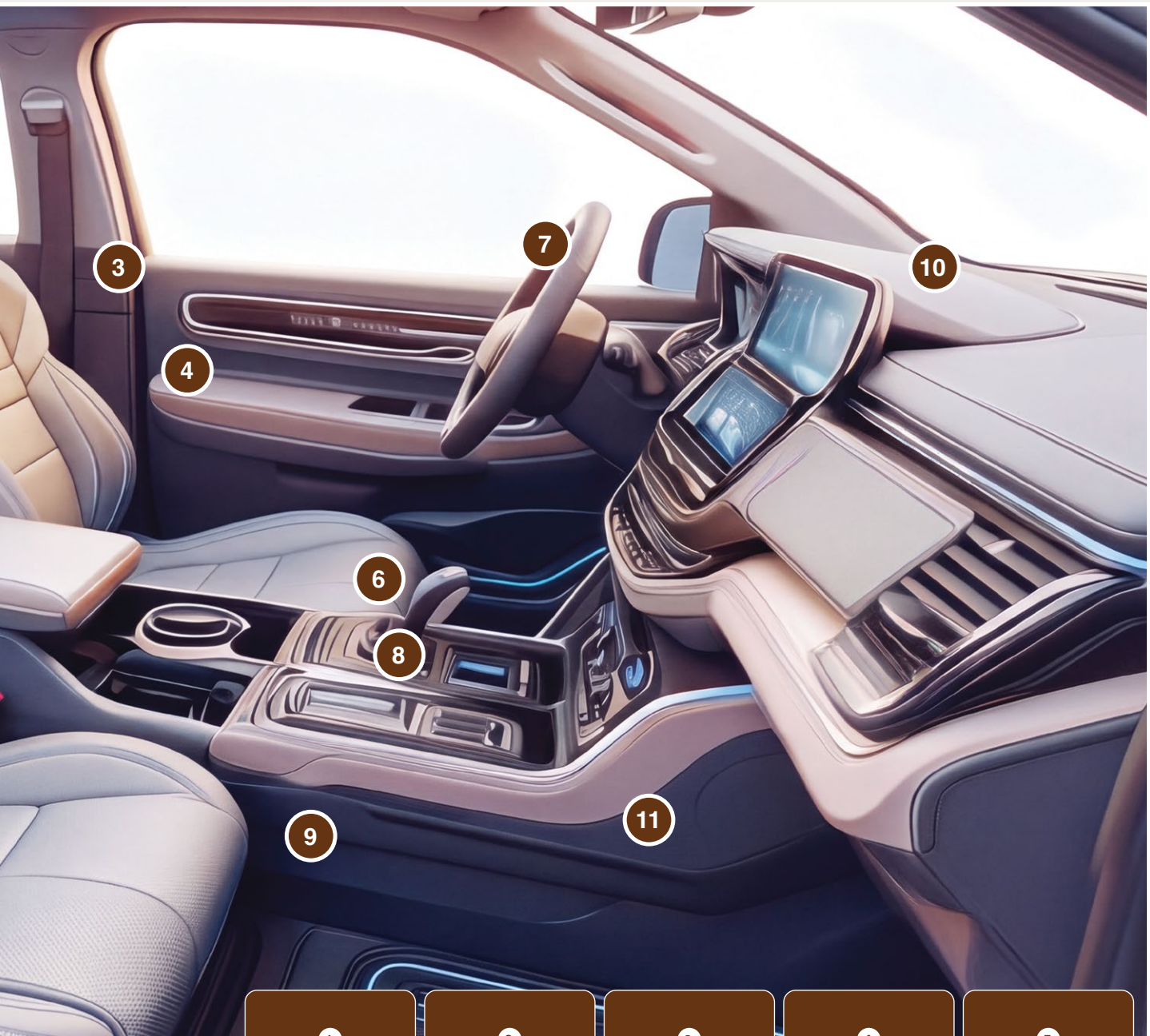
Our Products & Solutions

AUTOMOTIVE



Phases	OEM Development & Production	PDI Pre-Delivery	REM Aftermarket
Our Customers	OEM & Tier-1	OEM & Distributors	Distributors & Upholstery Shops
Manufactured For	Facelifts New Models	Special Editions Optional Accessories	Repairs/Replacements Customisations

Our Products & Solutions



Legend:

1

Seat covers

2

Headrest covers

3

Door trim wraps

4

Door handle wraps

5

Console box arm rest wraps

6

Gear knob wraps

7

Steering wheel wraps

8

Gear shift wraps

9

Floor mats

10

Instrument panel wraps

11

Knee Pads wraps

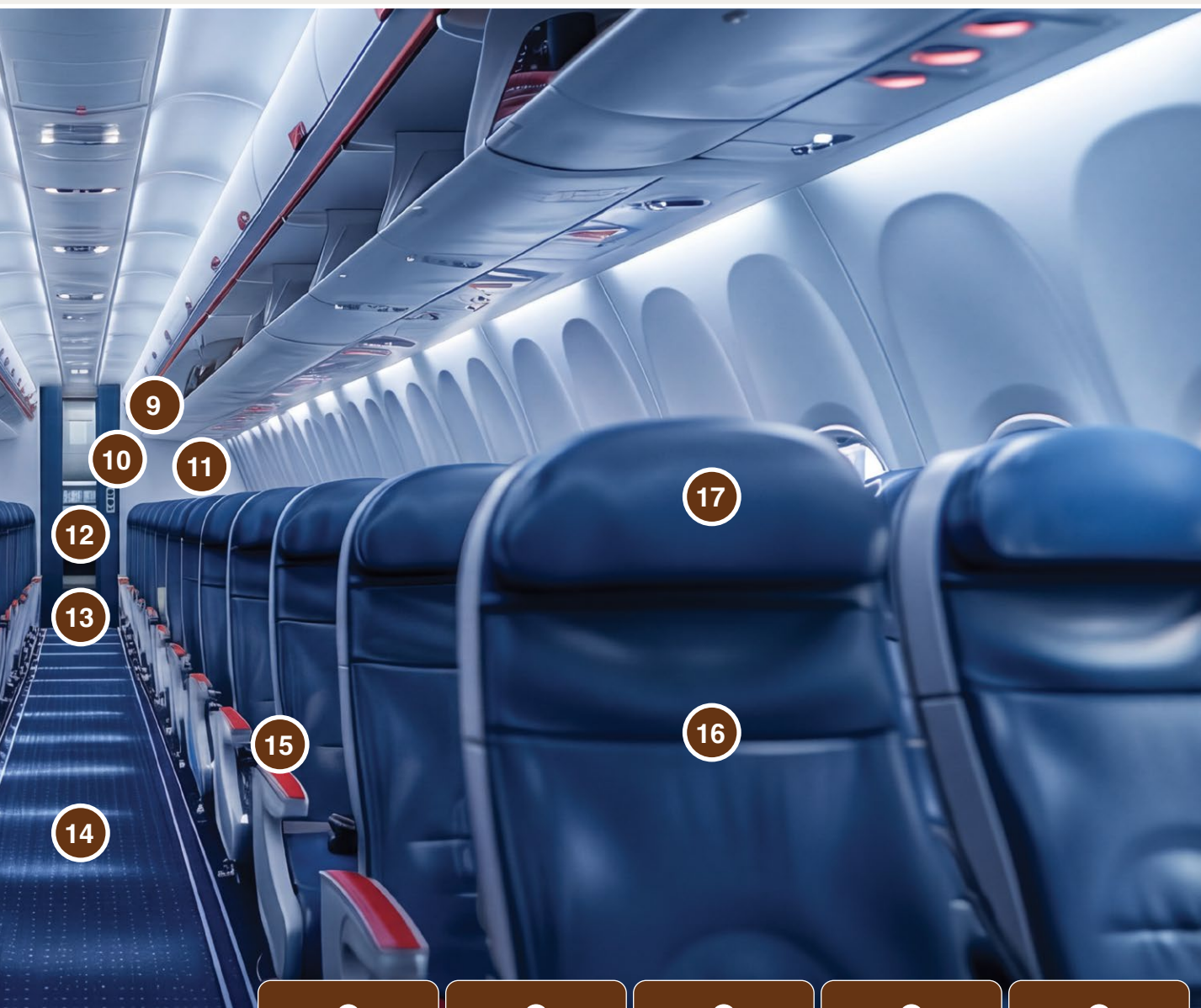
Our Products & Solutions

AVIATION



Service Category	New Seat Covers (EASA POA)	Refurbishment (CAAM Part 145)	Trade & Supply
Our Customers	Airlines, MRO Operators, Private Owners, Government Fleet Owners	Airlines, MRO Operators, Private Owners	Airlines, MRO Operators, Private Owners
Our Product Range	Wrapping, cutting, and sewing of leather or fabric for aircraft seat dress covers, headrest covers, armrest covers, as well as interior soft cabin furnishings	Repair, refurbishment, and installation of aircraft seat covers and other products related to leather, fabric, plastic, and fibreglass	Supply of materials, 3D printing, and turnkey cabin solutions
Certification No.	EASA.21G.0075	AMO/2017/12	-

Our Products & Solutions



Legend:

	1 PSU (passenger service unit)	2 Sidewall panels	3 Dado panels	4 Window frame bracket	5 Overhead compartments
6 Ceiling panels	7 Door panels	8 Disposable headrest cover	9 Attendant seats	10 Toilet shroud	11 Divider panels
12 Aft cargo / Forward cargo	13 NTF (non-textile flooring)	14 Carpet flooring	15 General seat assembly parts	16 Seat covers	17 Headrests

FY2026 Snapshots Financial Highlights

REVENUE (RM'MILLION)

RM222.0 (1.11% decrease in 2026)



PAT (RM'MILLION)

RM51.8 (9.28% decrease in 2026)



REVENUE COMPOSITION BY

4 KEY PILLARS



Pillar 1:
OEM
89.0%



Pillar 2:
REM
4.8%



Pillar 3:
Aviation
1.3%



Pillar 4:
Emerging Ventures
-PT PGI
4.0%



Others
0.9%

BASIC EPS (SEN)

7.15 (8.33% decrease in 2026)



TOTAL EQUITY (RM'MILLION)

RM216.4 (3.54% increase in 2026)



FY2026 Snapshots Certifications

AUTOMOTIVE

IATF 16949:2016 Quality Management System



Pecca Leather Sdn. Bhd.



PT Pecca Gemilang Indonesia

ISO 9001:2015 Quality Management System



ISO 14001:2015 Environmental Management System



ISO 45001:2018 Occupational Health & Safety Management System



FY2026 Snapshots Certifications

AVIATION

CAAM Approved Maintenance Organisation

CAAM

CERTIFICATE OF APPROVAL

APPROVAL NUMBER: AMO/2017/12

Pursuant to regulation 31 of Civil Aviation Regulations 2016 and subject to the conditions specified below, the following organisation:

PECCA AVIATION SERVICES SDN. BHD.
No. 34, Jalan 2C, Kampung Baru Subang,
Selayang U13, Shah Alam
SELANGOR DARUL EHSAN, MALAYSIA

is approved as a **MAINTENANCE ORGANISATION**
in accordance with Civil Aviation Directive (CAD) 8 and CAD 8801

CONDITIONS:

1. The approval is limited to that specified in the Terms of Approval.
2. This approval requires compliance with the procedures specified in the latest revision of the Maintenance Organisation Exposition, as specified in the Terms of Approval.
3. This approval is valid whilst the approved Maintenance Organisation remains in compliance with CAD 8 and CAD 8801; and
4. Subject to compliance with the foregoing conditions, this approval shall remain valid until the expiry date, as specified in the Terms of Approval, unless surrendered, suspended or revoked.

DATO' CAPTAIN MORA ALI BIN MAHMUD
for Civil Aviation Authority of Malaysia

Date of initial issue: 09-Mar-2016
Date of renewal: 14-May-2025
Date of revision: -
Revision number: 00

Page 1 of 2

CAAM

TERMS OF APPROVAL

Approval Number: AMO/2017/12

Scope of Approval

The holder of this maintenance organisation approval has been approved to engage in maintenance and to issue maintenance release, in respect of completion of maintenance, for the aeronautical products specified in the following table

CLASS	RATING	SCOPE
Components Other Than Complete Engines or APUs	C8 (Equipment)	Components listed in the capability list ref: PCUPAS/12 Revision 7 dated 28 Sep 2023 or later approved amendment.

Location(s)

Locations of maintenance facilities as per Part 1.8 of the latest Maintenance Organisation Exposition.

Validity of Approval

- a) Validity of this approval is subject to the organisation remaining in compliance with its maintenance organisation exposition ref: MOEPAS/01 Issue 1 Revision 8 dated 13 Feb 2024 or later approved amendment.
- b) The validity period of this approval is from 15 May 2025 to 14 May 2027

Page 2 of 2

EASA Production Organisation Approval

EASA

PRODUCTION ORGANISATION APPROVAL CERTIFICATE

Reference: EASA.21G.0075

Pursuant to Regulation (EU) 2018/1139 of the European Parliament and of the Council and to Commission Regulation (EU) No 748/2012 for the time being in force and subject to the condition specified below, the EUROPEAN UNION AVIATION SAFETY AGENCY hereby certifies:

Pecca Aviation Services SDN BHD
N° 1 Jalan Perindustrian Desa Aman 1A, Industri Desa Aman, Kepong
52200 Kuala Lumpur, Malaysia

as a production organisation in compliance with the Annex I (Part-21), Section A of Regulation (EU) No 748/2012, is approved to produce products, parts and appliances listed in the attached approval schedule and issue related certificates using the above references.

CONDITIONS:

1. This approval is limited to that specified in the enclosed terms of approval, and
2. This approval requires compliance with the procedures specified in the approved production organisation exposition, and
3. This approval is valid while the approved production organisation remains in compliance with Annex I (Part-21) of Regulation (EU) No 748/2012.
4. Subject to compliance with the foregoing conditions, this approval shall remain valid for an unlimited duration unless the approval has previously been surrendered, superseded, suspended or revoked.

Date of original issue: 11 January 2023
Date of this revision: 10 January 2025
Revision No.: 1
Signed: Joaquin DURAN
For the competent authority: EASA

EASA Form 55a Issue 3

EASA

Terms of Approval

TA: EASA.21G.0075

This document is part of Production Organisation Approval Number EASA.21G.0075 issued to:

Company name: **Pecca Aviation Services SDN BHD**

Section 1. **SCOPE OF WORK:**

PRODUCTION OF	PRODUCT CATEGORIES
C2 Parts	Wrapping, Cutting and Sewing of Leather or Fabric of : - Aircraft Seat Dress Covers - Head Rest Covers - Armrest Covers - Interior soft cabin furnishing

For details and limitations refer to the Production Organisation Exposition, Appendix 3

Section 2. **LOCATIONS:**

N° 1 Jalan Perindustrian Desa Aman 1A, Industri Desa Aman, Kepong
52200 Kuala Lumpur, Malaysia

Section 3. **PRIVILEGES:**

The Production Organisation is entitled to exercise, within its Terms of Approval and in accordance with the procedures of its Production Organisation Exposition, the privileges set forth in 21.A.163. Subject to the following:

Prior to approval of the design of the product an EASA Form 1 may be issued only for conformity purposes.

Date of original issue: 11 January 2023
Date of this revision: 10 January 2025
Revision No.: 1

Signed: Joaquin DURAN
For EASA

EASA Form 55b Issue 3

FY2026 Snapshots Awards & Recognition



PD Kawamura Kako
Manufacturing Sdn. Bhd.
Best Vendor - Child Part (2025)



Mitsubishi Best Supplier
Award for Local
Accessories (2024)



Mitsubishi Quality Appreciation
Award for Best Quality Local
Accessories (2024)



Mitsubishi Quality Appreciation Award for
Best Quality Local Accessories (2023)



PD Kawamura Kako Manufacturing Sdn. Bhd.
Overall Best Child Part Vendor (2023)



PD Kawamura Kako
Manufacturing Sdn. Bhd.
Best Vendor (2023)



PD Kawamura Kako
Manufacturing Sdn. Bhd.
Best Vendor (2022)



The Edge Industries Products
and Services Award for
Highest Returns to Shareholders
Over Three Years (2022)

Corporate Information

Directors

Tan Sri Dato' Setia Mazlan Bin Mansor

Independent Non-Executive Chairman
(Appointed on 21 May 2026)

Datuk Teoh Hwa Cheng

Group Managing Director

Datin Sam Yin Thing

Executive Director

Teoh Zi Yi

Executive Director

Teoh Zi Yuen

Executive Director

Datuk Leong Kam Weng

Independent Non-Executive Director

Dato' Seri Dr. Chen Chaw Min

Independent Non-Executive Director

Yong Hui Nee

Independent Non-Executive Director
(Appointed on 20 August 2026)

Dato' Mohamed Suffian Bin Awang

Independent Non-Executive Chairman
(Resigned on 21 May 2026)

Dato' Dr. Norhizan Bin Ismail

Independent Non-Executive Director
(Resigned on 20 August 2026)

Registered Office

Boardroom Corporate Services Sdn. Bhd.

Registration No. 196001000110 (3775-X)
12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
T : (03) 7890 4800
F : (03) 7890 4650
E : boardroom-kl@boardroomlimited.com

Business Address

No.1, Jalan Perindustrian Desa Aman 1A
Industri Desa Aman, Kepong
52200 Kuala Lumpur
T : (03) 6275 1800
F : (03) 6277 9809
E : corporate@peccaleather.com
W : <https://peccagroup.com>

Listing

Main Market of Bursa Malaysia
(Listed on 19 April 2016)
Stock Code : 5271
Stock Name : PECCA

Audit & Risk Management Committee

Datuk Leong Kam Weng (Chairman)
Dato' Seri Dr. Chen Chaw Min
Yong Hui Nee
(Appointed as Member on 20 August 2026)
Dato' Mohamed Suffian Bin Awang
(Ceased as Member on 21 May 2026)
Dato' Dr. Norhizan Bin Ismail
(Ceased as Member on 20 August 2026)

Nomination Committee

Dato' Seri Dr. Chen Chaw Min (Chairman)
(Appointed as Chairman on 21 May 2026)
Datuk Leong Kam Weng
Yong Hui Nee
(Appointed as Member on 20 August 2026)
Dato' Mohamed Suffian Bin Awang
(Ceased as Chairman on 21 May 2026)
Dato' Dr. Norhizan Bin Ismail
(Ceased as Member on 20 August 2026)

Remuneration Committee

Datuk Leong Kam Weng (Chairman)
Dato' Seri Dr. Chen Chaw Min
(Appointed as Member on 21 May 2026)
Yong Hui Nee
(Appointed as Member on 20 August 2026)
Dato' Mohamed Suffian Bin Awang
(Ceased as Member on 21 May 2026)
Dato' Dr. Norhizan Bin Ismail
(Ceased as Member on 20 August 2026)

Auditors

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) &
AF 1018
Level 16, Tower C
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
T : (03) 2788 9999

Company Secretaries

Tai Yit Chan

(MAICSA 7009143 / SSM Practising
Certificate No. 202008001023)

Tai Yuen Ling

(LS 0008513 / SSM Practising
Certificate No. 202008001075)

Share Registrar

Boardroom Share Registrars Sdn. Bhd.

Registration No. 199601006647
(378993-D)
11th Floor, Menara Symphony
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Principal Bankers

Hong Leong Islamic Bank Berhad
HSBC Amanah Malaysia Berhad
Maybank Islamic Berhad
OCBC Al-Amin Bank Berhad
United Overseas Bank (Malaysia) Berhad

Corporate Structure



PECCA GROUP BERHAD
 Registration No.: 201001025617
 (909531-D)
 Investment holding activities





I.

INTEGRATED ANNUAL REPORT 2026

Leadership Statement

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Chairman & Group Managing Director Statement



Dear Valued Shareholders,

It is our pleasure to present
Pecca Group Berhad's
**Integrated Annual Report for
the financial year ended
30 June 2026.**

It was a milestone year for us at Pecca, as we celebrated our 25th Anniversary and marked a decade on the Main Market of Bursa Malaysia. Fittingly, we took important steps forward in our evolution into an integrated multi-sector interior specialist, opening up new possibilities for growth across the broader transport industry.

We continued to strengthen our capabilities to meet our customers' increasingly exacting requirements, including higher-grade materials and stricter environmental standards. These efforts position us to capture higher-value opportunities across automotive, aviation and rail.

Chairman & Group Managing Director Statement



Domestic Opportunity Amidst Global Uncertainty

In a year of sustained volatility within global markets, driven by shifting US tariff measures, elevated energy costs and ongoing geopolitical tensions, Malaysia remained a supportive environment for growth. The country recorded a historic RM426.7 billion in approved investments in 2025, energising the domestic automotive and aerospace sectors, while global manufacturers continued to localise supply chains and deepen regional partnerships in line with the national localisation agenda.

In a further positive development, domestic automotive demand remained near historic peaks, prompting the MAA to revise its full-year forecast upward to 800,000 units. Meanwhile, consumer demand remained healthy, with national marques capturing the majority of new vehicle sales.

These conditions offer opportunities for growth, but we are not relying on market volumes alone. We are taking proactive steps to expand our market share, establish new export partnerships and increase the content value supplied per vehicle.

We are also capitalising on the accelerating transition towards EVs across Southeast Asia. This shift introduces distinct interior challenges for automakers, including managing cabin noise in the absence of an internal combustion engine and reducing component weight to optimise battery range. Our use of advanced materials enables us to address these challenges through lightweight and noise-isolating cabin solutions tailored for modern EVs, reinforcing our value to established national marques and incoming global manufacturers.

Chairman & Group Managing Director Statement

Moving Up the Automotive Value Chain

The national localisation agenda offers us a unique opportunity to move up the automotive value chain, and we are working to transition from being a component supplier to a direct Tier 1 partner capable of delivering complete seating systems straight to automakers' production lines.

Supported by our Subang assembly line, which is now fully operational and technically qualified, we have begun commercial negotiations with major brands. Meanwhile, our long-standing supply partnerships with Perodua, Toyota, Nissan, Proton and Mitsubishi continue to provide reliable volume. By developing our Tier 1 capabilities alongside these established partnerships, we are positioning ourselves to capture higher value per vehicle while maintaining a resilient base for sustainable growth.

Regionally, our Indonesian footprint is expanding. Indonesia is Southeast Asia's largest automotive market, yet car ownership per capita remains low, presenting significant growth potential. During the year, our subsidiary, PT Pecca Gemilang Indonesia, attained the required global quality accreditations to bid directly for OEM contracts, laying the groundwork to replicate our Malaysian model in a high-volume environment.

Our REM segment continues to serve the aftermarket for vehicle interior replacements and customisation. We provide custom leather exports for premium buyers and slip-on seat covers for mass-market consumers, continuing to grow our international



reach through distributor partnerships spanning North America, the United Kingdom, Europe, Saudi Arabia, Singapore and Australia. Despite regional instability in the Middle East, order books there remained highly resilient, sustained by strong distributor ties and steady demand.

Growing in the Aerospace and Rail Transit Sectors

Alongside our progress in automotive, we continued to expand beyond the sector in FY2026, with growing activity in aviation and our commercial entry into rail.

In aviation, delays in global airframe deliveries, coupled with continued growth in passenger traffic reported by the IATA, led to extended fleet lifecycles among regional airlines, sustaining demand for MRO services and cabin refurbishments.

Our technical qualifications provided an important competitive advantage in this favourable operating environment. We are one of the few providers in Southeast Asia qualified to meet stringent flammability and traceability requirements for aircraft upholstery, supported by our EASA POA. This enabled us to secure recurring cabin refurbishment contracts during the year, including for commercial airlines and government helicopter fleets.

Adding further value for our airline clients, we continued to integrate additive manufacturing into our aerospace operations, deploying industrial 3D printing for aircraft seat back components to optimise turnaround times. At the same time, we advanced the necessary regulatory applications to establish full in-house engineering design capabilities.

The same core capabilities also supported our entry into the railway sector, where, in June 2026, we delivered our first order of premium upholstery for passenger coaches to Peninsular Malaysia's primary rail operator. As rail and aviation interiors share similar technical requirements regarding flame retardancy, abrasion resistance and passenger ergonomics, our existing aerospace manufacturing protocols allowed us to meet these heavy rail standards efficiently.

Looking forward, we will move beyond static upholstery into smart cabin systems. Through strategic industry collaborations, we are incorporating embedded electronics and passenger entertainment into our seating assemblies. This initiative positions us to deliver advanced cabin solutions across the mobility landscape.

Chairman & Group Managing Director Statement

Financial Results and Dividends

In a year when domestic OEM volumes softened, our diversification strategy drove growth in international and non-automotive markets, helping us deliver a resilient financial performance.

Our top line decreased marginally from RM224.5 million in FY2025 to RM222.0 million in FY2026, with the decline cushioned by these growing revenue streams. Meanwhile, our net profit declined more substantially from RM57.1 million to RM51.8 million, due in part to higher initial depreciation associated with commercialising our Tier 1 seat assembly capabilities and scaling our manufacturing capacity for future growth.

Despite this moderation in earnings, our focus on efficiency drove operating cash flow higher to RM60.8 million from RM47.6 million in the preceding year. This improvement reflected better inventory turnaround and continued enhancements across the production floor.

Meanwhile, our balance sheet provides ample liquidity to fund future expansion. As at 30 June 2026, total assets had expanded, bolstered by capital investments in equipment and the land acquisition for our upcoming Serendah facility. Supported by solid cash reserves and minimal borrowings, we maintained a robust net cash position.

With this financial flexibility, we continued to balance reinvestment with consistent shareholder returns. For FY2026, the Board declared total dividends of 6.0 sen per share, amounting to RM43.5 million. This represents a payout ratio of 83.9%, well above the minimum 40.0% of annual net profit set out in our dividend policy.

Investing in Capabilities for Growth

Our financial strength has enabled us to continue investing in the physical, intellectual and human capabilities required for the next phase of our growth, supporting both our capacity expansion and our progression into higher-value work across the sectors in which we operate.

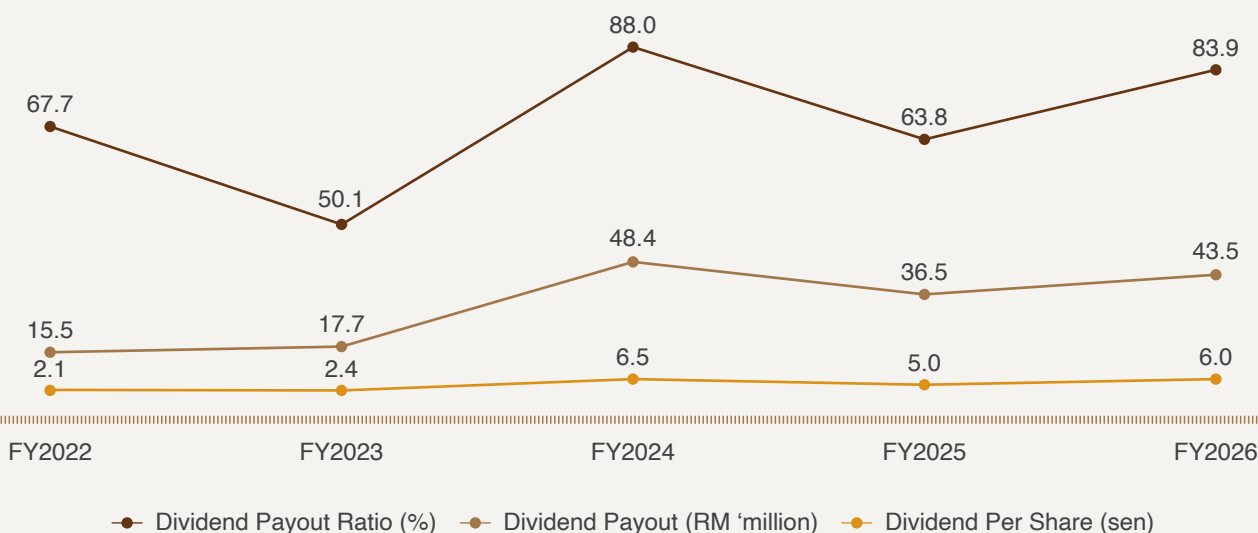
In FY2026, we enhanced our Manufactured Capital through new machinery installations that expanded production capabilities, improved precision and reduced material waste, while advancing the design and planning of our upcoming manufacturing facility at the UMW High Value Manufacturing Park in Serendah. Meanwhile, our Intellectual Capital was strengthened through the Product Development team's collaboration with agencies such as the Malaysia Automotive, Robotics and IoT Institute (MARii) to advance material innovation, while targeted investment in specialised skills training continued to develop our Human Capital.

Upholding ESG Excellence and Governance

We view ESG performance as a fundamental pillar of our business, ensuring that we remain aligned with the expectations of multinational automotive and aerospace industry leaders.

A year ago, in FY2025, we introduced Scope 3 emissions reporting for the first time and published our inaugural TCFD disclosures, providing greater insight into the risks and opportunities that climate change presents for our business. We took this journey further during the year under review, strengthening our company-wide framework for collecting and

Dividend



Chairman & Group Managing Director Statement

monitoring greenhouse gas emissions data and undertaking deeper analysis of the implications of climate change for our business model. Alongside this, we continued to prioritise resource efficiency across our manufacturing facilities through certified material sourcing, digital cutting layouts that minimise scrap, and targeted initiatives to optimise energy and water consumption.

These environmental initiatives were complemented by our continued emphasis on workplace safety and workforce development. Our performance framework links internal incentives to health and safety benchmarks alongside quality and productivity measures. At the same time, we continued to invest in upskilling and executive mentoring to equip our technical personnel to operate automated machinery and meet aerospace-grade assembly standards.

At the governance level, the Board, supported by the Audit and Risk Management Committee, maintained rigorous oversight of financial and compliance controls. We are pleased to report that the Group recorded zero confirmed incidents of corruption and zero confirmed whistle-blowing cases for another financial year.

Moving forward, ESG will remain central both to our responsibilities as a business and to our ability to deliver on our strategic ambitions. By continuing to strengthen our environmental practices, develop our people and uphold sound governance, we believe we will be better positioned to pursue our growth plans responsibly and create sustainable value over the long term.

Our Strategic Outlook

Looking forward to FY2027, our focus lies in continuing to modernise our manufacturing infrastructure. With our new facility in Serendah, we will have the capacity to meet the long-term requirements of major automotive assembly plants and Tier 1 supply chains, which will be critical to fulfilling our growth potential.

Beyond manufacturing capacity, the Serendah facility will also incorporate the latest technological innovations, embedding Industry 4.0 principles including system integration, IoT connectivity and autonomous robotics. These technologies will enhance production visibility, increase throughput and maintain quality control, enabling us to scale our production volumes not only within the automotive sector, but also across our aviation and railway businesses.



As we pursue our vision to become a leading global upholstery manufacturer, we recognise that our continued success relies principally on the dedication of our workforce, the trust of our shareholders and the strong alliances we share with our customers, suppliers and regulators. We extend our deepest appreciation to all our stakeholders, our Management team and every employee of Pecca Group Berhad for their ongoing support.

Guided by our core motto, “Passion for Perfection”, we step into the new financial year fully committed to realising our multi-sector potential.

**Tan Sri Dato’ Setia
Mazlan Bin Mansor**
Independent
Non-Executive Chairman

**Datuk
Teoh Hwa Cheng**
Group Managing Director

Directors' Profile



**TAN SRI DATO' SETIA
MAZLAN BIN MANSOR**

Independent
Non-Executive Chairman

Malaysian | 65 | Male

Tan Sri Dato' Setia Mazlan Bin Mansor was appointed to the Board on 21 May 2026 and serves as an Independent Non-Executive Chairman.

He holds an LLB (Hons) from the University of Wales, Aberystwyth, UK and a CLP. He served in the Royal Malaysia Police for almost 41 years until his retirement as Deputy Inspector-General in August 2020, having joined the force as a Senior Police Officer in 1979.

During his career, he held various senior positions within the Royal Malaysia Police, including Director of the Commercial Crime Investigation Department, Chief Police Officer of Selangor, Commissioner of Police Sarawak, and Chief Police Officer of Melaka, and has vast experience in investigation work. He has also received numerous state and federal awards for his invaluable contribution towards public service, particularly in the area of public security.

He also serves as Deputy Chairman (Timbalan Pengerusi) of the Selangor Islamic Religious Council (MAIS), Chairman of the Board of Trustees of Yayasan Islam Darul Ehsan, and is a Member of the Police Force Commission. In addition, he sits on the Boards of Ocean Assets Trustee Berhad and RCE Capital Berhad. Previously, he served as a Board Member of SC Malaysia from 1 March 2022 to 29 February 2024.

As he was appointed as a Board Member on 21 May 2026, he was not eligible to join any of the Board meetings held during FY2026.

He does not have any family relationships with any director and/or major shareholder of the Company.



**DATUK TEOH
HWA CHENG (KELVIN)**

Group Managing Director

Malaysian | 58 | Male

Datuk Teoh Hwa Cheng, our Founder, was appointed to the Board on 27 July 2010 and has served as GMD since then.

He has over 30 years of experience in the leather goods industry. His earlier career was rooted in leather craftsmanship and entrepreneurship, which provided the foundation for establishing and expanding our business in the automotive upholstery industry.

He has been instrumental in building our workforce capabilities, guiding us from a small and medium enterprise into a group with a global business presence spanning Malaysia, Asia, North America, and Europe.

Currently, he oversees our overall strategy and business direction, reviews major investments and capital expenditure, and guides our corporate and financing proposals before recommending them to the Board for approval. While he drives strategic planning, day-to-day operations have been delegated to Teoh Zi Yi, Teoh Zi Yuen, and the Group's management team.

He is the spouse of Datin Sam Yin Thing, and the father of Teoh Zi Yi and Teoh Zi Yuen. He does not hold any directorship in other public companies or listed issuers.

He attended six (6) Board Meetings held during FY2026.

Directors' Profile



**DATIN SAM
YIN THING (CHRISTINE)**
Executive Director

Malaysian | 55 | Female

Datin Sam Yin Thing was appointed to the Board on 31 October 2011 and serves as an Executive Director.

She has approximately 30 years of experience in the leather industry, having developed deep expertise in sourcing and vendor management.

She has contributed to strengthening our procurement functions by overseeing our raw material supply chains and vendor development, particularly for leather, microfiber, and PVC.

She is married to Datuk Teoh Hwa Cheng, and the mother of Teoh Zi Yi and Teoh Zi Yuen. She does not hold any directorship in other public companies or listed issuers.

She attended six (6) Board Meetings held during FY2026.



TEOH ZI YI (HUGO)
Executive Director

Malaysian | 33 | Male

Teoh Zi Yi was appointed to the Board on 16 October 2020 and serves as an Executive Director.

He holds a Bachelor of Business Management degree from the University of East Anglia, UK.

He has been pivotal in transforming our organisation from a family-owned business into a professionally managed group, leading us to achieve the milestone of RM1 billion market capitalisation in FY2023.

Currently, he assists Datuk Teoh Hwa Cheng in executing our vision, policies, and business plans, with his responsibilities spanning operations, financial oversight, compliance, risk management, and stakeholder engagement. He also spearheads our aviation business segment, focusing on both domestic and international expansion.

He is the son of Datuk Teoh Hwa Cheng and Datin Sam Yin Thing, and the sibling of Teoh Zi Yuen. He does not hold any directorship in other public companies or listed issuers.

He attended six (6) Board Meetings held during FY2026.

Directors' Profile



TEOH ZI YUEN (KELLY)

Executive Director

Malaysian | 31 | Female

Teoh Zi Yuen was appointed to the Board on 16 October 2020 and serves as an Executive Director.

She holds a Bachelor's Degree in Economics and Marketing from Pepperdine University, US, and began her career at an immigration law firm in the US, an experience that honed her analytical and cross-cultural communication skills.

In 2025, she further strengthened her executive capabilities by completing a Master's in Public Policy from Tsinghua University, China. This advanced education provided her with a critical macroeconomic and geopolitical perspective, enabling her to better navigate complex regulatory environments, anticipate global market trends, and guide the Group's long-term strategy.

Since her appointment to the Board, she has been instrumental in shaping the Group's growth trajectory and market positioning. A key focus of her role is the strategic expansion of the Group's Business-to-Consumer marketing division. Under her leadership, this segment has been revitalised through data-driven digital strategies and enhanced brand engagement initiatives, directly connecting the Group's premium automotive products with a growing consumer base.

Her responsibilities extend to steering the Group's key corporate functions, including corporate strategy and business development, brand management and marketing communications, investor relations and corporate affairs, and ESG framework implementation.

She is the daughter of Datuk Teoh Hwa Cheng and Datin Sam Yin Thing, and the sibling of Teoh Zi Yi. She does not hold any directorship in other public companies or listed issuers.

She attended six (6) Board Meetings held during FY2026.



DATUK LEONG KAM WENG

Independent
Non-Executive Director

Malaysian | 62 | Male

Datuk Leong Kam Weng was appointed to the Board on 26 December 2014 and serves as an Independent Non-Executive Director.

He holds Bachelor of Economics and Bachelor of Laws degrees from Monash University, Australia, and is a Fellow of CPA Australia, a Chartered Accountant of the Malaysian Institute of Accountants and a panel-certified mediator with the Malaysian Mediation Centre. Called to the Malaysian Bar in 1989, he practised law for three years before joining TA Enterprise Berhad in 1992.

He previously served as Chairman of Tokio Marine Life Insurance Malaysia Berhad, retiring upon completing the maximum nine-year tenure for independent non-executive directors.

He also serves on the Boards of Only World Group Holdings Berhad, Malaysia United Industries Berhad, and Exsim Hospitality Berhad, all listed on Bursa Malaysia, in addition to various non-listed companies including CLB Holdings Berhad, Tokio Marine Insurans (Malaysia) Berhad, Asian Outreach (Malaysia) Berhad and Pusat Penyayang KSKA. Since 1989, he has been a Partner at Messrs. Iza Ng Yeoh & Kit.

He currently chairs our ARMC and RC, and is a member of our NC.

He does not have any family relationships with any director and/or major shareholder of the Company.

He attended six (6) Board Meetings held during FY2026.

Directors' Profile



DATO' SERI DR. CHEN CHAW MIN
Independent
Non-Executive Director

Malaysian | 65 | Male

Dato' Seri Dr. Chen Chaw Min was appointed to the Board on 8 April 2025 and serves as an Independent Non-Executive Director.

He began his career with the Malaysian civil service in 1988 and has held various positions in the Malaysian government. During his time at the Ministry of Finance, he served in several divisions, including Budget, Investment, Housing Loan, Finance, and Fiscal and Economy. On 25 April 2014, he joined Ministry of Health Malaysia as Deputy Secretary General (Finance).

On 4 July 2015, he was appointed Secretary General of MOH Malaysia, a role he held until his retirement on 4 February 2021. During this period, he was actively involved in several national policy task forces and health-related councils and played a pivotal role in spearheading Malaysia's fight against COVID-19. He also served as Chairman of Protect Health Malaysia and sat on the boards of various government-linked organisations, including Institut Jantung Negara, National Kenaf and Tobacco Board, Clinical Research Malaysia, Malaysia Healthcare Travel Council, and ProtectHealth Corporation Sdn. Bhd.

In addition to his public service, he has published research in both local and international journals and presented papers at international conferences and seminars. He has also completed prestigious executive programmes at Harvard Business School, US, and Oxford Said Business School, UK.

He currently serves as Independent Non-Executive Chairman of Optimax Holdings Berhad and is a Director of several private companies in Malaysia.

He currently chairs our NC, and is a member of our ARMC and RC.

He does not have any family relationships with any Director and/or major shareholder of the Company.

He attended six (6) Board Meeting held during FY2026.



YONG HUI NEE
Independent
Non-Executive Director

Malaysian | 47 | Female

Yong Hui Nee was appointed to the Board on 20 August 2026 and serves as an Independent Non-Executive Director.

She graduated with a Bachelor of Accounting from the University of Malaya and is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. She is a Chartered Accountant with over 20 years of experience in the audit and assurance profession, previously holding professional positions with BDO Binder, Kuala Lumpur, KPMG Singapore and RSM Robert Teo, Kuan & Co. and was previously an Audit Partner at Ecovis Malaysia PLT.

She has extensive experience in audit and assurance across various industries, including construction, property development, plantation, manufacturing, trading, transportation and hospitality. Her professional experience also includes financial due diligence, investigative assignments, corporate exercises and IPO-related engagements, with exposure to listed entities, multinational corporations, small and medium-sized enterprises and non-profit organisations.

She also serves as an Independent Non-Executive Director and Audit Committee Chair of Exsim Hospitality Berhad, a company listed on Bursa Malaysia.

As she was appointed as a Board Member on 20 August 2026, she was not eligible to join any of the Board meetings held during FY2026.

She does not have any family relationships with any Director and/or major shareholder of the Company.

Notes to the Directors' Profile

1. None of the Directors has any conflicts of interest or potential conflicts of interest, including interest in any business that competes with Pecca or its subsidiaries;
2. None of the Directors has been convicted of any offence (other than traffic offences, if any) within the past five (5) years; and
3. None of the Directors has been subject to any public sanction or penalty imposed by relevant regulatory authorities during the financial year.

Key Senior Management Profile



1 CHEN YOKE HENG

Chief Financial Officer

Malaysian | 55 | Female

Chen Yoke Heng was appointed as our Chief Financial Officer on 6 July 2026.

She is a seasoned finance professional with more than 30 years of experience in finance and accounting, covering financial reporting, budgeting, internal controls and procurement across various public listed companies in the retail, consumer goods

and manufacturing sectors. She also has extensive expertise in financial forecasting, treasury management, corporate governance and financial planning.

She does not have any family relationship with any Director and/or major shareholder of the Company

2 K. KARUNAKARAN A/L KARUPPANNAN

Chief Operating Officer

Malaysian | 59 | Male

K. Karunakaran A/L Karuppannan was appointed as our Chief Operating Officer on 1 October 2019, with responsibility for overseeing plant operations and supply chain management.

He joined the Group as Factory Manager on 4 August 2003 and progressed through the ranks over the following two decades. During this time, he was instrumental in incorporating lean management principles and methods across the Group to support our expansion into the OEM, PDI and REM export businesses.

He has more than 30 years of experience in the manufacturing industry, with specific involvement in the production of latex threads, power transformers for scientific and electronics applications, and gloves for medical and surgical applications.

He also has extensive experience in occupational safety, quality assurance and good manufacturing practices.

In addition, he brings extensive knowledge in implementing standard operating procedures for operational processes and ISO certifications for manufacturing plants. He played a pivotal role in supporting the Group in obtaining the IATF 16949:2016, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 13845:2016 certifications. In FY2023, he also facilitated the Group's efforts to obtain EASA certification for Pecca Aviation and assisted in the set-up of the Group's medical-grade face mask operation in FY2020.

He does not have any family relationship with any Director and/or major shareholder of the Company.

3 SAM CHEE KENG

Technical Director

Malaysian | 47 | Male

Sam Chee Keng was appointed as our Technical Director on 1 December 2012. On 11 April 2024, he was also appointed as the President Director of PT PGI, the Group's 80.0%-owned Indonesian subsidiary. In this role, he facilitates the transfer of technical knowledge relating to the manufacturing of upholstery seat covers while developing new markets in Indonesia, with a focus on the OEM automotive segment.

His journey with the Group began with his appointment as Factory Manager of Pecca Leather Sdn. Bhd. on 1 December 2000. He has extensive experience in the research and development of automotive upholstery seat covers.

He is the sibling of Datin Sam Yin Thing and brother-in-law of Datuk Teoh Hwa Cheng.

Key Senior Management Profile

4 NEO HWEE LEONG

Operations Director

Malaysian | 40 | Male

Neo Hwee Leong was appointed as our Operations Director on 15 November 2022. He primarily leads the business operations of the Group's 80.0%-owned Indonesian subsidiary, PT PGI, with responsibilities spanning general management, operations, supply chain and procurement, sales and marketing, quality and regulatory matters, finance, human resources and administrative functions.

Prior to his appointment, he joined PT Multi Pratama Interbuana in December 2014 as Head of Department for production, planning, inventory and control. He subsequently joined PT PGI as Operations Manager in July 2017 and was promoted to General Manager in December 2021, overseeing

the company's overall operations. He was later redesignated as Operations Director while continuing to lead PT PGI's business operations.

He has extensive experience in operational management and commercial roles, encompassing enterprise resource planning, logistics system development and distributor management. He leverages this experience to drive sales growth, expand the customer base and broaden distribution channels.

He does not have any family relationship with any Director and/or major shareholder of the Company.

5 DANNY NG KOK AUN

Head of Public Affairs

Malaysian | 42 | Male

Danny Ng Kok Aun was appointed as Head of Public Affairs at Pecca Leather Sdn. Bhd. on 1 November 2022. In this capacity, he leads strategic government relations, public affairs, regulatory engagement, and industry collaborations, working closely with federal ministries, government agencies, original equipment manufacturers (OEMs), industry associations, and international partners to align and advance strategic interests within Malaysia's automotive and mobility ecosystems.

He began his corporate career in the fast-moving consumer goods (FMCG) sector, focusing on key account management, commercial strategy, and trade marketing. He subsequently served within the Prime Minister's Department of Malaysia, where he was involved in government administration and stakeholder engagement. He is also a Founding Director within the healthcare sector, where he led regulatory and government engagements that secured mission-critical medical supply contracts with the Malaysian Ministry of Health during the COVID-19 pandemic.

With more than 15 years of cross-sector leadership experience spanning the automotive, technology, healthcare, and strategic investment sectors, he brings extensive expertise in policy and regulatory affairs, business commercialisation, investment facilitation, and public-private partnerships. As a two-term Executive Committee Member of the Malaysian Automotive Component Parts Manufacturers (MACPMA), he actively contributes to national dialogue on industry localisation, supply chain resilience, and progressive automotive policies aimed at strengthening Malaysia's competitiveness as a regional manufacturing hub.

He holds a Bachelor of Business Administration (BBA) from Universiti Utara Malaysia (UUM).

He does not have any family relationship with any Director and/or major shareholder of the Company.

Notes to the Key Senior Management Profile

None of the Key Senior Management has:

- held any directorship in public companies or listed issuers;
- any conflict of interest or potential conflict of interest, including interest in any business that competes with Pecca or its subsidiaries;
- been convicted of any offences (other than traffic offences, if any) within the past five (5) years; and
- been subject to any public sanction or penalty imposed by relevant regulatory authorities during the financial year.

I.

INTEGRATED ANNUAL REPORT 2026

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Strategic Review

Strategic Diversification and Multi-Sector Evolution

FY2026 marked a fundamental shift for the Group as we evolved from an automotive leather provider into an integrated, multi-sector interior specialist.

By expanding beyond our domestic automotive OEM operations and commercialising new growth areas, we broadened our revenue base and strengthened our market position. Key milestones included securing major aviation cabin MRO contracts, qualifying to bid directly for automaker contracts in Indonesia, and delivering our first railway interiors.



Market Overview

RECORD TIV DRIVEN BY NATIONAL BRANDS AND STRONG EV DEMAND

Malaysia's automotive market achieved a record TIV of 820,752 units in 2025, and this strength carried into the first half of 2026 with TIV increasing 3% year-on-year to 385,353 units. Given the industry's resilience, the MAA upgraded its full-year forecast to 800,000 units, indicating that domestic demand will sustain near its historic peak.

National brands widened their lead, commanding 66.5% of new vehicle sales in the first half of 2026. Meanwhile, demand for EVs accelerated, with pure EV sales more than doubling and broader electrified vehicle sales rising 69% year-on-year. The sector's momentum is underpinned by an active pipeline of new model launches, targeted promotional campaigns, and sustained consumer confidence.

GLOBAL AVIATION BOTTLENECKS PROPEL MALAYSIA'S AEROSPACE SECTOR

Global air travel continued to climb in 2025, with the IATA reporting a 5.3% year-on-year increase in industry-wide Revenue Passenger Kilometres and a 7.1% rise in international traffic. Furthermore, aircraft are operating at higher load factors, pushing passenger load factor to a record 83.6%.

Meanwhile, geopolitical realignments and supply bottlenecks have constrained global MRO capacity, generating significant spillover of maintenance demand into the Asia-Pacific region. Malaysia's aerospace industry, which generated RM32.5 billion in revenue in 2025, is rapidly absorbing this inflow. With commercial carriers extending their fleet lifecycles through interior retrofits, our EASA-certified capabilities allow us to secure this regional demand.

Strategic Review

Outlook

Driven by robust demand across both the automotive and aviation sectors, we are well positioned for sustained growth, with a focus on executing our multi-sector expansion and capturing market demand in FY2027.



CAPITALISING ON NATIONAL AUTOMOTIVE LOCALISATION MANDATES

In line with the MAA's upgraded 2026 forecast, Malaysia's automotive market is demonstrating sustained stability. Our domestic growth trajectory, however, is no longer solely dependent on broader TIV growth, as we are increasingly focused on increasing our content and value per vehicle, supported by major interior wrap contracts for upcoming national EV launches.

Our national brand partners provide a reliable baseline of volume. Beyond this, strict localisation requirements for incoming automakers are anticipated to create additional high-value opportunities. As we upgrade our capabilities to deliver complete Tier-1 seat assembly, we are supporting the nation's supply chain goals while reinforcing our long-term role in the EV transition.

GROWING GLOBAL DEMAND FOR PREMIUM AUTOMOTIVE INTERIORS

The global automotive upholstery market is forecast to nearly double over the medium-to-long-term, climbing from USD5.12 billion in 2026 to USD9.47 billion by 2034 - at an 8% CAGR. This trajectory is fuelled by a shift in automotive design, where premium interior finishes and lightweight, sustainable materials are becoming baseline requirements for the EV market.

These same trends are also creating opportunities within the aftermarket segment, where demand for premium and customised interiors remains strong. The United States, the United Kingdom and Saudi Arabia are key target markets for our REM business, which we are pursuing through strategic collaborations with local distributors to strengthen our brand presence and capture higher-value export opportunities.

Strategic Review



MALAYSIA ABSORBS REGIONAL MRO SPILLOVER

As the government upgrades local MRO infrastructure, most notably through the Subang Airport Regeneration Plan, domestic and regional airlines are increasingly turning to Malaysia to realise improved cost efficiency and reduce turnaround times.

Backed by our EASA-certified capabilities and stringent international compliance standards, our specialised cabin interior solutions position us as a trusted MRO partner. We are uniquely equipped to capture recurring, high-value refurbishment contracts across commercial and government fleets, fully capitalising on regional fleet renewal and modernisation programmes.

STRATEGIC POSITIONING IN INDONESIA'S AUTOMOTIVE RECOVERY

Indonesia remains Southeast Asia's largest automotive market by volume, yet car ownership levels continue to lag behind regional peers, pointing to substantial long-term growth potential as incomes rise.

Following two years of contraction, early recovery indicators emerged in the first half of 2026, with wholesale volumes rebounding 15.9% year-on-year, though GAIKINDO has kept its full-year target at a measured 850,000 units from 803,687 units in 2025.

The market's combination of scale and untapped potential reinforces our confidence in Indonesia as a strategic long-term market. Supported by our manufacturing accreditations and established capabilities, we are well positioned to deepen our presence and capture further opportunities as the market develops.

Strategic Review

Our Value Creation Business Model

INPUTS

- F FINANCIAL CAPITAL**
- Sustained financial strength from our:
 - Steady performance
 - Share capital and shareholders' equity
 - Access to debt and capital markets
- M MANUFACTURED CAPITAL**
- Our production facilities in:
 - Kepong, Kuala Lumpur, Malaysia (1)
 - Cikarang Selatan, Bekasi, Indonesia (1)
- I INTELLECTUAL CAPITAL**
- Our proprietary systems and technologies
 - Our strong brand equity and market experience
- H HUMAN CAPITAL**
- Our diverse and experienced leadership team and workforce
 - Our sound governance framework
- S SOCIAL & RELATIONSHIP CAPITAL**
- Our longstanding stakeholder relationships
 - Our Group's governing policies
- N NATURAL CAPITAL**
- The raw materials, energy and water used in our operations
 - Our solar energy generation and consumption

OUR KEY ENABLER

VISION

To be the leading upholstery manufacturer globally in the automotive industry and a top player for aircraft interiors and MRO in aviation industry.

MISSION

To keep exceeding our customers' expectations in design, quality and innovation, and fostering sustainability and long-term partnerships.

MOTTO

Passion for Perfection

OUR KEY STAKEHOLDERS



Board of Directors



Customers



Investors



Employees



Suppliers



Governments and Regulators



Community

OUR 4 KEY PILLARS



OEM



REM



Aviation



Emerging Ventures

MATERIAL MATTERS

- | | |
|--|---|
| <ul style="list-style-type: none"> Economic Performance Supply Chain Management Climate Change Energy Management Water Management Waste & Chemicals Management Occupational Safety & Health (OSH) | <ul style="list-style-type: none"> Labour Practices & Human Rights Employee Development & Talent Management Product Quality & Safety Ethical Governance & Anti-Corruption Data Privacy & Cybersecurity Community Engagement & Social Impact |
|--|---|

OUR BUSINESS PROCESSES

Procurement

Collaborating with our suppliers to source raw materials that align with our stringent quality standards

QA

Implementing robust systems and processes that ensure compliance with all applicable local and international quality standards

Production

Driving production excellence by delivering high-quality products that enhance customer satisfaction

Sales & Marketing

Leveraging our expertise and proven processes to deliver quality products and services, while actively incorporating customer feedback for ongoing improvement of our value creation

Product Development

Enhancing product quality through targeted research and responsible resource and material management to ensure the consistent delivery of innovative solutions

Strategic Review



Strategic Review

Key Risks & Mitigation Actions

We adopt a proactive and structured approach to identifying, assessing and managing risks that may affect the achievement of our strategic objectives. By implementing appropriate mitigation measures, we minimise potential adverse impacts on our business, safeguard the interests of our stakeholders, and strengthen our organisational resilience.

Our risks are categorised into the following four factors:

Risk Factors	Description
 Strategic Risk	Risks that may affect the Group's ability to achieve its vision, mission, and strategic objectives
 Operational Risk	Risks that may impact the effectiveness and efficiency of the Group's operations
 Financial Risk	Risks that may affect the financial position of the Group
 Compliance Risk	Risks that may affect the Group's ability to comply with all relevant regulatory requirements

Our risks are determined through a five-step process, ensuring that all potential issues are thoroughly assessed and addressed.

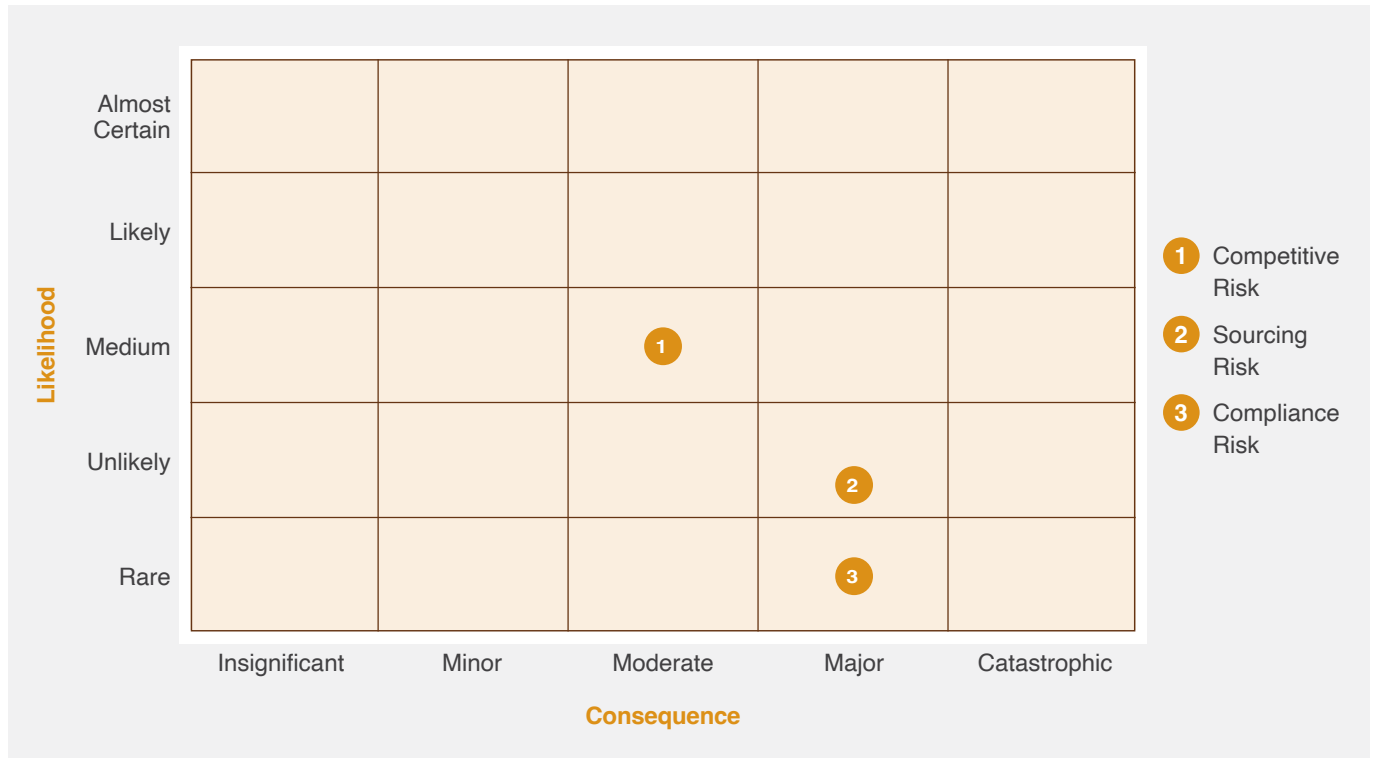
OUR RISK DETERMINATION PROCESS



Based on the process undertaken during the "Risk Assessment" step, the likelihood and potential severity of impact of each risk is identified. These findings, as plotted in our risk matrix below, provide a structured basis for us to prioritise our risk mitigation efforts, enabling us to stay ahead of evolving market conditions and challenges.

Strategic Review

OUR RISK MATRIX



1. COMPETITIVE RISK

Material Matters Impacted	Risk Factors	Stakeholders Involved	Capitals Impacted	Growth Strategies
1. Supply Chain Management 2. Product Quality & Safety 3. Economic Performance	  	  	F M I N	   
Description				
Operating as a leading automotive upholstery manufacturer in Malaysia requires us to continually adapt to industry trends while balancing product quality, service excellence, and cost efficiency. The transition toward EVs, the commercialisation of direct Tier-1 seat assembly, and the integration of smart cabin architecture introduce new technological and pricing pressures. Meanwhile, fluctuations in global raw material and freight costs remain key variables that can influence market accessibility and affordability.				
Mitigation Actions				
➤ Our automotive, aviation, and rail divisions maintain internationally recognised certifications in quality, environmental management, and occupational health and safety. ➤ To further strengthen our competitive position, we optimise production efficiency to drive greater cost competitiveness. At the same time, we are diversifying our product offerings by incorporating advanced EV materials and expanding our range of interior components to remain responsive to shifting automotive trends and preserve market relevance.				

Strategic Review

2. SOURCING RISK

Material Matters Impacted	Risk Factors	Stakeholders Involved	Capitals Impacted	Growth Strategies
1. Supply Chain Management	  	 	  	  
Description				
The supply of raw materials is subject to uncertainties including shipping disruptions and geopolitical tensions. These factors pose a risk to our operations as any interruption could significantly disrupt production timelines and profitability.				
Mitigation Actions				
➤ We implement strategic procurement and supply chain diversification to ensure a steady and reliable supply. ➤ Our procurement strategies are continuously refined to strengthen supply chain resilience and maintain adequate stock levels, enabling us to fulfil both production and sales commitments. ➤ Supplier performance is rigorously audited, with delivery planning optimised to prevent material shortages, uphold the quality of finished products, and sustain operational efficiency.				

3. COMPLIANCE RISK

Material Matters Impacted	Risk Factors	Stakeholders Involved	Capitals Impacted	Growth Strategies
1. Ethical Governance & Anti-Corruption	   		 	   
Description				
As our operations extend to highly regulated industries including the automotive, aviation, and railway sectors, regulatory compliance is vital to business continuity. Any failure to meet rigorous local and international safety, traceability, and flammability standards could lead to legal, financial, and reputational impacts that limit our competitiveness and ability to secure new commercial contracts.				
Mitigation Actions				
➤ Our technical personnel regularly participate in professional training programmes to stay updated on policy changes affecting manufacturing operations. ➤ Continuous engagement with local authorities and regulators ensures all compliance requirements are strictly met. ➤ We have established detailed internal controls, standard operating procedures, and sound corporate governance practices to meet sector-specific demands governed by stringent frameworks such as the IATF 16949:2016 and EASA Part 21G aerospace standards.				

Strategic Review

Growth Strategies

Our strategy is anchored on four core pillars designed to enhance our production capabilities, facilitate our entry into higher-margin segments and drive balanced, sustainable growth.

PILLAR 1: OEM

Backed by more than 20 years of OEM partnerships, our priority is to transition from a component supplier to a direct Tier-1 assembly partner. In coordination with MITI and MIDA, we are supporting national automotive localisation priorities while investing in design, materials and advanced manufacturing capabilities to increase our content value per vehicle.

In line with our Tier-1 ambitions, our dedicated automotive seat assembly line at the Subang facility has reached full operational readiness. Having advanced through stringent technical qualifications with major automakers, we are also working closely with their procurement teams to align our capabilities with their localisation targets.

Furthermore, we have diversified our product offerings beyond leather upholstery into interior components, including instrument panel wraps and luggage trays to build a steady, well-diversified order book across major automotive brands.

Looking ahead, we will continue to expand capacity in phases to support long-term OEM demand and growth across multiple sectors, ensuring our manufacturing infrastructure is fully prepared to meet future volume requirements.

TIME FRAME

(Medium Term: 1-3 Years)
(Long Term: 4-6 Years)

MEDIUM AND LONG TERM

Our Competitive Advantages

- A track record of over 20 years in automotive leather
- Enduring relationships with key automotive customers spanning more than a decade
- Patented in-house products and tooling
- One-stop capabilities covering design, procurement, manufacturing, and installation
- High-efficiency production capacity
- Robust financial standing with public-listed governance
- Internationally accredited quality standards

Our Business Strategy

- Commercialising our fully operational Tier-1 seat assembly line
- Expanding production capacity in phases to meet multi-sector volume growth
- Advancing national automotive localisation priorities alongside MITI and MIDA
- Upholding stringent quality and delivery standards



Strategic Review

PILLAR 2: REM

Building on our established US presence, we are formalising new distributor partnerships across the United Kingdom, Saudi Arabia, the broader Middle East, Australia, and ASEAN. Our go-to-market approach relies on direct alliances with local distributors to ensure rapid market penetration and build long-term brand equity in these respective overseas markets.

To broaden our market reach, we are pursuing a dual-tier product strategy. Our customised leather solutions target the premium segment, while our user-friendly slip-on seat covers, which require no professional installation, enable us to address the mass market and expand our customer base.

TIME FRAME

(Medium Term: 1-3 Years)
(Long Term: 4-6 Years)

MEDIUM AND LONG TERM

Our Competitive Advantages

- Over 20 years of brand equity in aftermarket upholstery
- Patented quick-install applications
- Flexible production lines tailored for export
- Dedicated R&D for product innovation
- Internationally accredited manufacturing and safety standards

Our Business Strategy

- Broadening distribution networks across the US, UK, Middle East, Australia, and ASEAN
- Capturing mass-market share via user-friendly, DIY slip-on seat covers
- Driving premium exports through customised interiors
- Actively participating in international trade fairs and industry exhibitions

PILLAR 3: AVIATION

Building on our proven commercial track record and existing EASA POA, we are expanding our aviation capabilities to include integrated in-house design. As we progress through the regulatory stages for our EASA Part 21 Subpart J Design Organisation Approval (DOA), we are engaging with key ASEAN aviation authorities, including CAAT, CAAS, DGCA and DGTA, to support future cross-border project readiness.

Commercially, our portfolio of cabin refurbishments continues to gain traction, following the recent execution of strategic MoUs with regional aviation partners, at the MyAERO Summit in June 2026. To address rising demand, we are also advancing our collaboration with the Centre of Excellence for Additive Manufacturing to explore the integration of 3D printing technologies, with the aim of reducing turnaround times for cabin interior components.

TIME FRAME

(Medium Term: 1-3 Years)
(Long Term: 4-6 Years)

MEDIUM AND LONG TERM

Our Competitive Advantages

- Pioneer EASA POA holder in ASEAN
- Certified Production Organisation by CAAM
- Proven heritage in precision upholstery and flame-retardant materials
- Competitive regional turnaround times for cabin refurbishment

Our Business Strategy

- Securing EASA DOA and regional aviation validations (CAAT, CAAS, DGCA, DGTA)
- Integrating 3D printing via strategic partnerships to shorten component turnaround
- Converting MoUs into recurring refurbishment contracts
- Elevating market visibility through aerospace exhibitions

Strategic Review

PILLAR 4: **EMERGING VENTURES**

Our expansion into the Indonesian OEM market is progressing, supported by prerequisite manufacturing accreditations such as IATF 16949:2016, which enable us to bid directly for opportunities with global automakers operating in the country.

At the same time, we are extending our interior capabilities beyond the automotive and aviation sectors into rail. Having delivered our first batch of premium leather upholstery for first-class railway coaches in June 2026, we are building our presence as a multi-sector interior specialist spanning land and air transport.

To support our growth, we will continue to seek experienced partners in design, engineering, and prototyping. Together, we are exploring the integration of smart cabin technologies, including In-Flight Entertainment (IFE) and in-train Passenger Information Entertainment Systems (PIES), into our interior assemblies. This collaborative approach accelerates product development and strengthens our capabilities as we expand into higher-value Tier-1 opportunities across multiple sectors.

TIME FRAME

(Medium Term: 1-3 Years)
(Long Term: 4-6 Years)

MEDIUM AND LONG TERM**Our Competitive Advantages**

- Cross-sector manufacturing adaptability across automotive, aerospace, and railway
- Proven track record in executing Tier-1 interior supply contracts
- Extensive institutional experience navigating regulatory frameworks

Our Business Strategy

- Unlocking direct Indonesian OEM bidding via our subsidiary's newly attained IATF 16949:2016 accreditation
- Deepening multi-sector reach into the railway sector
- Integrating smart cabin tech via strategic collaborations
- Engaging technical partners to fast-track product commercialisation



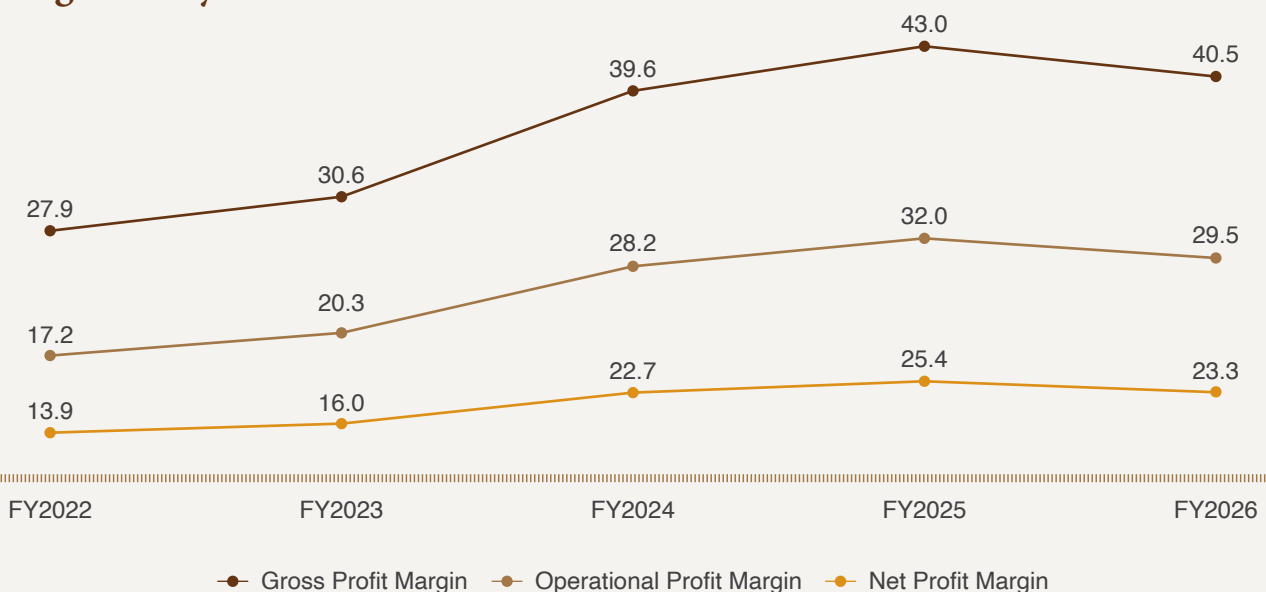
Financial Review

In FY2026, the Group demonstrated operational stability by recording RM222.0 million in revenue compared to RM224.5 million in FY2025, as double-digit growth across our international and non-automotive divisions successfully balanced softer domestic OEM volumes.

We recorded a net profit of RM51.8 million compared to RM57.1 million in FY2025, resulting from shifts in product mix and higher depreciation expenses tied to new machinery investments for our Tier-1 capacity expansion.

Going forward, we will continue to strengthen our margin profile through automation, technology adoption, and operational efficiency initiatives, while maintaining the disciplined cost management that has underpinned our profitability over the years.

Margin Analysis



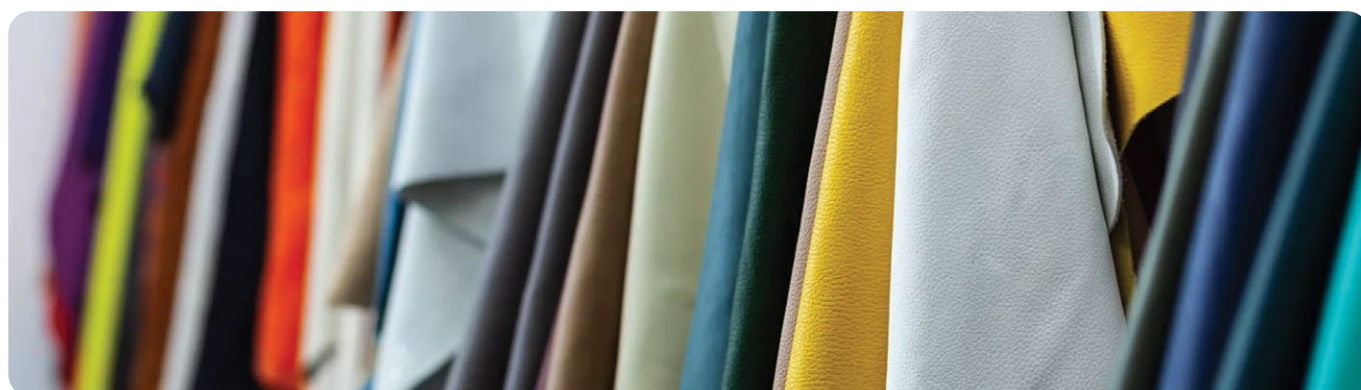
Financial Review

DIVERSIFICATION STRATEGY DRIVES SEGMENTAL GROWTH

	Revenue (RM'000)		Percentage within total group revenue (%)		Percentage within segment revenue (%)
AUTOMOTIVE (MALAYSIA)					
Car Seat Covers (A)					
> OEM	179,290		80.8		86.1
> REM	8,216		3.7		3.9
> PDI	5,542		2.5		2.7
(A)	193,048	(i) = (A) / (K)*100%	87.0	(1) = (A) / (E)*100%	92.7
Sewing of fabric car seat covers (B)	10,983	(ii) = (B) / (K)*100%	4.9	(2) = (B) / (E)*100%	5.3
Manufacturing of leather/PVC car accessories covers and miscellaneous seat covers, and provision of wrapping and stitching services					
> OEM	1,235		0.6		0.6
> REM	2,546		1.1		1.2
(C)	3,781	(iii) = (C) / (K)*100%	1.7	(3) = (C) / (E)*100%	1.8
Leather cut pieces supply (D)	358	(iv) = (D) / (K)*100%	0.2	(4) = (D) / (E)*100%	0.2
Sub-total (E) = (A) + (B) + (C) + (D)	208,170	(v) = (E) / (K)*100%	93.8	(5) = (E) / (E)*100%	100.0
AUTOMOTIVE (INDONESIA)					
Car Seat Covers					
> OEM	2,389		1.1		27.0
> REM	248		0.1		2.8
> PDI	1,172		0.5		13.2
(F)	3,809	(vi) = (F) / (K)*100%	1.7	(6) = (F) / (H)*100%	43.0
Manufacturing of leather/PVC car accessories covers and miscellaneous seat covers, and provision of wrapping and stitching services					
> OEM	4,432		2.0		50.0
> REM	617		0.3		7.0
(G)	5,049	(vii) = (G) / (K)*100%	2.3	(7) = (G) / (H)*100	57.0
Sub-total (H) = (F) + (G)	8,858		4.0		100.0

Financial Review

	Revenue (RM'000)		Percentage within total group revenue (%)		Percentage within segment revenue (%)
AVIATION					
Sub-total (I)	2,784	(ix) = (I) / (K)*100%	1.3	(9) = (I) / (I)*100%	100.0
OTHERS					
Sub-total (J)	2,173	(x) = (J) / (K)*100%	0.9	(10) = (J) / (J)*100%	100.0
GRAND TOTAL					
GRAND TOTAL (K) = (E) + (H) + (I) + (J)	221,985	(xi) = (K) / (K)*100%	100.0	(11) = (K) / (K)*100%	100.0



The automotive division generated RM208.2 million of revenue in FY2026, accounting for 93.8% of total Group revenue. Within this segment, car seat cover manufacturing contributed RM193.0 million, supported by steady demand for high-specification variant trims, while growth across our non-domestic pillars emerged as a sustainable revenue driver.

Revenue from our Indonesian operations expanded by 57.1% year-on-year to RM8.9 million, propelled by a 77.0% jump in the fourth quarter following new commercial OEM supply awards. Meanwhile, the Aviation segment delivered RM2.8 million in revenue, a 19.5% increase, driven by recurring fleet maintenance contracts and scheduled cabin refurbishments. Additionally, international REM shipments expanded 12.2% to RM9.3 million, with accelerated order volumes secured from distributors across the UK, the Middle East, and North America.

A RESILIENT BALANCE SHEET AND ACCELERATING CASH FLOWS

Underlying cash generation accelerated during the year, with net cash from operating activities surging 27.8% to RM60.8 million from RM47.6 million in FY2025.

Total assets expanded to RM268.4 million as at FY2026, compared to RM245.2 million in FY2025, reflecting capital investments in manufacturing equipment and the completed land acquisition for our upcoming Serendah facility. Total borrowings stood at RM18.6 million, an increase from RM5.4 million in the previous year, comprising a RM10.5 million term loan to partially finance the Serendah land acquisition and trade financing for working capital.

We closed FY2026 with a net cash position of RM101.8 million and a healthy current ratio of 5.5 times, backed by RM120.4 million in cash and bank balances and short-term investments. This financial strength enabled the Board to declare total dividends of 6.0 sen per share for FY2026, representing a total distribution of RM43.5 million and an 83.9% payout ratio.

Financial Review

RM'000	FY2022	FY2023	FY2024	FY2025	FY2026	CAGR (%)
Extracts From Statements Of Profit Or Loss						
Revenue	164,394	221,258	242,545	224,500	221,985	7.8
Gross Profit	45,831	67,759	95,950	96,508	89,819	18.3
Results From Operating Activities	28,285	44,892	68,309	71,821	65,532	23.4
PBT	29,289	46,947	72,151	75,597	68,514	23.7
PAT	22,841	35,426	55,021	57,096	51,770	22.7
EBITDA	33,407	49,751	73,775	77,616	72,408	21.3
Profit Attributable To Owners of The Company	22,852	35,404	54,994	57,121	51,807	22.7
Extracts From Statements of Financial Position						
Total Assets	224,426	264,036	288,649	245,196	268,407	-
Cash And Bank Balances	27,213	48,148	8,276	15,544	10,477	-
Short-Term Investments	59,595	63,084	145,406	89,366	109,972	-
Total Liabilities	34,633	50,816	54,135	36,163	52,047	-
Borrowings	8,884	11,870	6,888	5,382	18,571	-
Total Equity Attributable To Owners of The Company	189,865	212,810	233,844	208,465	215,917	-
Financial Ratios						
Gross Profit Margin (%)	27.9	30.6	39.6	43.0	40.5	-
Operational Profit Margin (%)	17.2	20.3	28.2	32.0	29.5	-
Net Profit Margin (%)	13.9	16.0	22.7	25.4	23.3	-
ROE ¹ (%)	12.0	16.6	23.5	27.4	24.0	-
Current Ratio (times)	7.2	5.1	5.1	7.2	5.5	-
Dividend Payout (RM'000)	15,461	17,742	48,387	36,438	43,468	-
Dividend Payout Ratio (%)	67.7	50.1	88.0	63.8	83.9	-
Dividend Per Share (sen) ²	2.1 ³	2.4	6.5	5.0	6.0	-

1. Profit attributable to owners of the Company as a percentage of equity.

2. The number of shares is assumed to include the effect of bonus shares issued on the basis of 1 bonus share for every 1 existing ordinary share held.

3. Adjusted based on weighted average cost of share dividend distributed on the basis of 1 treasury share for every 41 existing ordinary shares held

Operational Performance Review

KEY PERFORMANCE MILESTONES

FY2026 was a year of continued investment and diversification across our key business segments. We advanced our transformation into full seat assembly, entered the railway interior segment for the first time, and deepened our presence in Indonesia and international REM markets.

PILLAR 1: OEM

OEM supply contracts continued to be the key driver of our top-line performance in FY2026. We sustained stable production volumes by executing active orders from long-standing brand partners, which now include Perodua, Toyota, Nissan, Proton, Mitsubishi, and MG Motor.

Our dedicated automotive seat assembly line at the Subang facility reached full operational readiness, marking a critical step in our transition toward becoming a direct Tier-1 assembly partner. We subsequently initiated commercial negotiations for direct assembly orders after passing stringent technical qualifications with incoming automakers.

We further expanded our product offerings beyond core upholstery into instrument panel wraps and luggage trays, increasing our content value per vehicle. To support our longer-term growth, we finalised the acquisition of industrial land within the UMW High Value Manufacturing Park, securing future capacity and advancing preparations for our Serendah facility.

PILLAR 2: REM

Our aftermarket division expanded its global presence by formalising new distributor partnerships in the UK and Saudi Arabia, while strengthening our foothold in the US, Australia, Singapore, and Europe.

Our operations in the US fulfilled supply contracts with a local manufacturing partner and showcased products at the Specialty Equipment Market Association (SEMA) Show in Las Vegas, securing valuable exposure to North American aftermarket players. Furthermore, we ramped up the distribution of our user-friendly, slip-on seat covers, delivering an accessible mass-market solution alongside our customised premium leather interiors.

PILLAR 3: AVIATION

We secured a diverse portfolio of aviation MRO contracts across the civilian and government sectors in FY2026, servicing both aeroplanes and helicopters. Projects throughout the year encompassed cabin insulation, interior repainting, headrest manufacturing, and seat upholstery restorations.

We expanded our EASA POA capabilities to include non-structural plastic parts fabrication, while concurrently advancing regulatory applications for EASA Part 21 Subpart J DOA.

Our commercial portfolio gained further momentum at the MyAERO Summit in June 2026, where we signed strategic MoUs with regional aviation partners. We also successfully deployed 3D printing technology to produce aircraft seat back panels through our collaboration with the Centre of Excellence for Additive Manufacturing, reducing turnaround times for these components.

PILLAR 4: EMERGING VENTURES

Our Indonesian subsidiary, PT Pecca Gemilang Indonesia, achieved the benchmark IATF 16949:2016 quality accreditation, officially unlocking our ability to bid directly for OEM contracts with global automakers in the country.

We also entered the domestic railway segment in June 2026, delivering our first batch of premium leather upholstery for first-class passenger coaches to the largest rail operator in Peninsular Malaysia. In addition, we formalised a collaboration with Betamek to explore the integration of smart cabin technologies, including IFE and in-train PIES.

Operational Performance Review

DELIVERING VALUE THROUGH CORE OPERATIONAL EXCELLENCE

Product Quality



We uphold rigorous standards of quality and reliability through stringent controls across all stages of production. By utilising certified materials and operating under stringent IATF 16949:2016 and EASA Part 21G protocols, we ensure our products consistently meet the high standards expected by our customers, reflecting our brand promise of precision.

Sustainability



ESG practices are deeply embedded into our daily operations. Our commitment spans responsible material sourcing, the optimisation of energy and water use, and the promotion of a diverse workforce, ensuring our strategy remains responsive to stakeholder expectations and long-term sustainability priorities.

Health & Safety



Employee well-being remains a fundamental priority for us. We maintain safe, secure, and healthy workplace operations, underpinned by a system that actively rewards safety performance alongside quality and productivity.

Knowledge & Skills



Our human capital initiatives focus heavily on continuous learning and professional growth to support our expanding capabilities and product portfolio. We provide targeted in-house and external training to upskill our workforce, while Senior Management actively mentors emerging leaders to foster a cohesive and capable team.

Technology



Manufacturing modernisation remains a key catalyst for our expansion. We evaluated IoT connectivity, system integration, and autonomous robotics throughout the year to drive automation and operational visibility. These initiatives are helping to lay the foundation for our upcoming Serendah plant to operate as a future-ready hub for high-value manufacturing.



SUSTAINABILITY STATEMENT 2026

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Overview

Preparation of the Sustainability Statement

Pecca Group Berhad is pleased to present its Sustainability Statement (“SS”) for the financial year ended 30 June 2026 (“FY2026”).

This SS is intended to provide our stakeholders with a clear and informed understanding of our sustainability commitments, strategies, performance, and progress. It presents how we integrate sustainability considerations into our business operations and decision-making, reflecting our balanced and responsible approach to creating sustainable, long-term value for our stakeholders.

During FY2026, we strengthened our sustainability reporting approach through the adoption of a Double Materiality Assessment (“DMA”), with the process and outcomes of this assessment presented in the Double Materiality Assessment section of this statement.

In addition, we further enhanced climate-related disclosures into our sustainability reporting practices by considering the climate-related disclosure requirements under the IFRS S2 *Climate-related Disclosures*. This has strengthened our understanding of climate-related risks and opportunities (“CROs”) and supported the continued development of our sustainability reporting capabilities. These efforts also position us to respond more effectively to evolving sustainability reporting expectations, including future requirements under the National Sustainability Reporting Framework (“NSRF”).

Reporting Framework

This SS has been prepared in accordance with Bursa Malaysia MMLR and is guided by Bursa Malaysia’s Sustainability Reporting Guide (“SRG”), the UNSDGs, and

the GRI Standards, providing a comprehensive view of our sustainability performance and initiatives.

We acknowledge the introduction of the NSRF and the increasing adoption of international sustainability reporting standards, including IFRS S1 & S2. While transitional reporting requirements and phased adoption timelines apply to us as a listed issuer for the financial year beginning 1 July 2026, we continue to take proactive, preparatory steps to strengthen our internal processes, data management practices, and disclosures, in support of progressive alignment with the NSRF and relevant international standards.

Statement Quality and Data Assurance

We strive to present sustainability information that is balanced, clear, comparable, reliable, and timely. The content of this SS has been prepared based on information reviewed internally by all relevant departments and Management, while the data disclosed in this SS has been internally sourced and checked against available supporting records.

This SS has not been subject to independent external assurance. We will continue to enhance our internal data controls and may consider external assurance as our sustainability reporting framework matures.

Feedback

We value feedback from our stakeholders as a means to support the continuous improvement of our sustainability practices and disclosures. For any enquiries or comments regarding this SS, please contact us at peccasr@peccaleather.com.



Overview

Reporting Boundary

Reporting Boundary Excluding Greenhouse Gas (“GHG”) Emissions

The entities, assets, and operations included in this SS are the same as those included in our financial statements for the financial year ended 30 June 2026.

For this SS, the reporting entity comprises Pecca Group Berhad and its subsidiaries. Where the boundary of a metric differs from the Group’s consolidated reporting entity, the applicable boundary, exclusions, and basis of measurement are disclosed alongside that metric.

Reporting Boundary for GHG Emissions

We quantify and report our GHG emissions in accordance with internationally recognised standards, primarily the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (“GHG Protocol”). For the disclosure of Scope 3 GHG emissions, we use the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) to define the 15 Scope 3 categories.

Additionally, our reporting boundary for GHG emissions includes both an organisational boundary and an operational boundary:

Organisational Boundary

For sustainability reporting purposes, the reporting entity boundary is aligned with Group entities included in the consolidated financial statements and over which we exercise operational control. Accordingly, the GHG emissions reported in this SS cover all facilities and operations within both our reporting entity boundary and organisational boundary.

The facilities included within the reporting scope are as follows:

- **Kepong, Malaysia** – Manufacturing facilities, corporate head office, and warehouse operations;
- **Subang, Malaysia** – Facilities supporting the Group’s aviation business segment; and
- **Cikarang Selatan, Bekasi, Indonesia** – Manufacturing facility operated by PT Pecca Gemilang Indonesia.

Operational Boundary

Our operational boundary for GHG emissions is categorised and reported as follows:

- **Scope 1:** Direct emissions from sources owned or controlled by operations within our organisational boundary.

- **Scope 2:** Indirect emissions from the generation of purchased electricity consumed within our organisational boundary.
- **Scope 3:** Other indirect GHG emissions arising across the upstream and downstream value chain, occurring from sources not owned or controlled by us.

For FY2026, we have disclosed our Scope 1 and 2 emissions, as well as Scope 3 emissions for Category 6 (Business Travel) and Category 7 (Employee Commuting).

Judgements and Measurement Uncertainties

In the process of preparing this SS, Management has exercised judgement in several areas, including the identification and assessment of sustainability-related risks and opportunities (“SROs”) and CROs, as well as the determination of material information to be disclosed.

In addition, the preparation of this SS involved the use of estimates for certain figures that cannot be directly measured. Such estimates are applied where sustainability information relates to an entity within our value chain, is forward-looking in nature, or is affected by data limitations. Certain information also relies on the use of assumptions, estimates, and data drawn from both internal and external sources. Below are the estimates made by Management in preparing this SS, along with the amounts that carry a high degree of measurement uncertainty: GHG-related metrics disclosed on page 74 and 75. The Group measures its GHG emissions in accordance with the GHG Protocol. The related disclosed metrics are subject to inherent high uncertainties arising from reliance on activity data and emission factors obtained from third parties. Where activity data and emission factors cannot be obtained on a timely basis, or are incomplete, estimation is used.

a. Materiality Assessment Process

Significant judgement was applied during the identification of SROs and CROs that could reasonably affect the Group’s prospects and in determining the material information to be disclosed in relation to those SROs. The process used to assess what information could reasonably impact the Group’s financial prospects and influence decisions of primary users is set out in the DMA section.

We also applied judgement in determining which metrics associated with the relevant disclosure topics in the industry-based Sustainability Accounting Standards Board (“SASB”) Standards were applicable and should therefore be included.

Overview



b. Calculation Methods for GHG Emissions

Judgement was exercised when selecting the appropriate GHG calculation methods, emission factors, and data sources. Management also applied judgement in determining the calculation methods that are most appropriate for each Scope 3 category, considering the availability and quality of data while prioritising the use of supplier-specific data where available.

c. Climate Scenario Analysis

Significant judgement was applied in selecting the climate-related scenarios used for scenario analysis. We have undertaken an assessment of our CROs using two reference scenarios, namely the Intergovernmental Panel on Climate Change (“IPCC”) Representative Concentration Pathway (“RCP”) 8.5 / 4°C scenario for physical risk assessment, and the Network for Greening the Financial System (“NGFS”) Net Zero 2050 scenario for transition risk evaluation. These scenarios were selected to provide a more robust assessment of potential impacts on the Group’s operations, supply chain, and business continuity.

IPCC RCP 8.5 / 4°C: This scenario assesses exposure to physical climate risks under a high-emissions pathway, with global mean temperature projected to rise by approximately 4°C above pre-industrial levels by 2100. It assumes continued high GHG emissions in the absence

of effective mitigation policy, with an associated increase in the frequency and severity of both acute and chronic physical climate risks. Under this pathway, physical risks are severe, while transition risks remain comparatively low given the limited policy response.

NGFS Net Zero 2050: This scenario assumes aggressive decarbonisation to reach net zero CO₂ emissions by 2050, limiting warming to approximately 1.5°C. It aims to assess our exposure to transition risk under an orderly and ambitious pathway in which stringent climate policies are introduced immediately and tightened progressively, low-carbon technology is deployed at pace, and customer and investor preference shifts towards lower-carbon products and services.

GHG-related Metrics

We measure our GHG emissions in accordance with the GHG Protocol. The disclosed metrics are subject to a high level of uncertainty arising from reliance on activity data and emission factors obtained from third parties. Where activity data or emission factors are incomplete or not available on a timely basis, reasonable estimates are applied.



SUSTAINABILITY STATEMENT 2026

Sustainability Approach

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Sustainability Approach



SUSTAINABILITY GOVERNANCE

At Pecca, we recognise that effective sustainability governance is essential to drive long-term business resilience and value creation. In line with our aspiration to embed sustainability across the organisation, the responsibilities of our Board and its SWC have been expanded to cover a broader range of sustainability matters. Under this structure, the Board maintains overall accountability for our sustainability strategy, while the SWC supports its implementation through delegated authority.

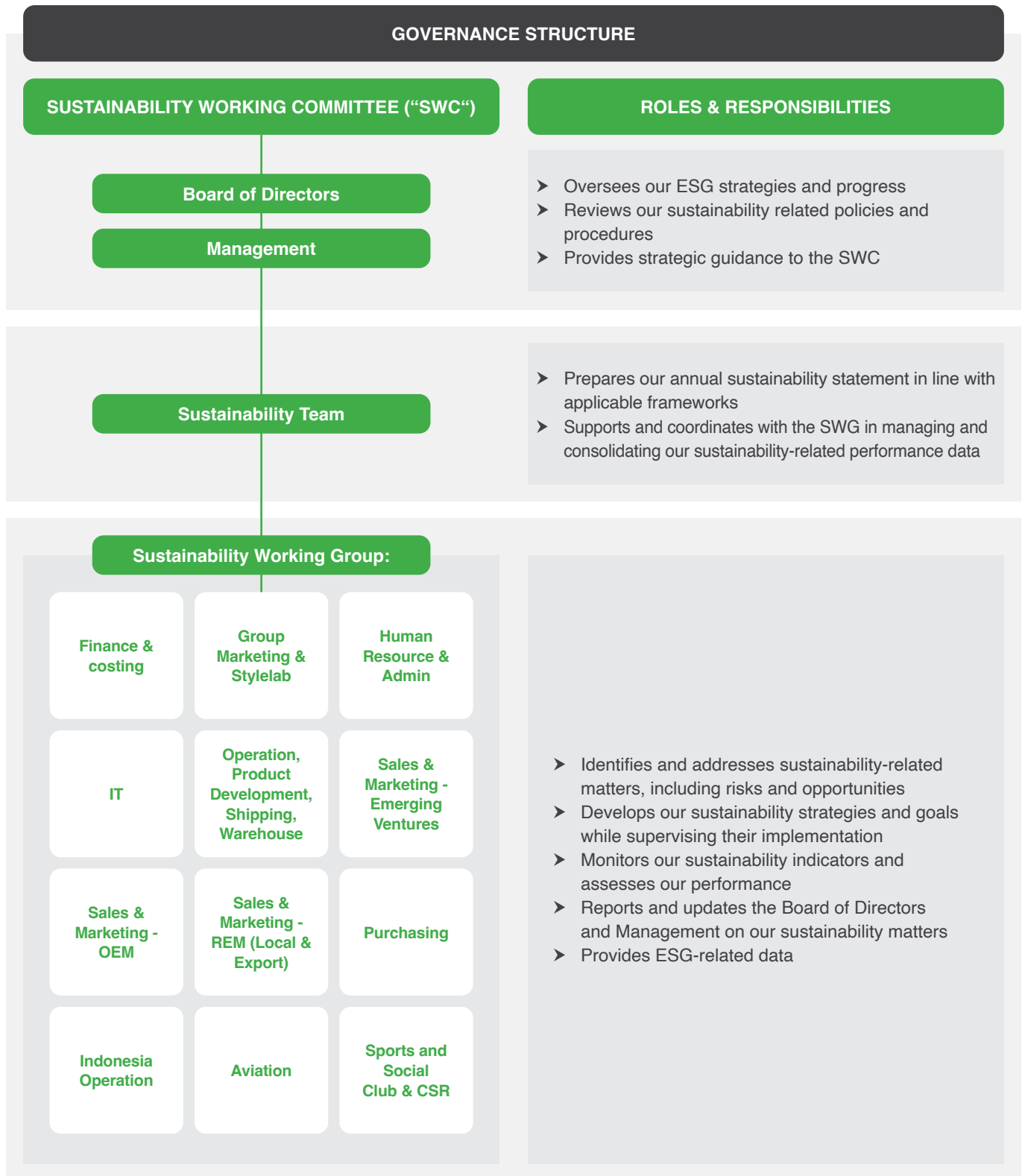
Our sustainability governance framework is centred on the SWC, which supports strategic alignment and coordination across material ESG matters. Supported by a Group-level Sustainability Team and comprising representatives from across the organisation, the SWC provides a multidisciplinary forum for managing sustainability priorities.

The SWC regularly convenes to discuss relevant ESG developments, challenges, and opportunities to align understanding of sustainability matters across the Group. Its responsibilities include identifying sustainability issues, developing related strategies and action plans, as well as acting as a coordinating body for Group-wide sustainability efforts. This includes monitoring ESG performance and leading the materiality assessment process.

The Board remains committed to strengthening its oversight of sustainability matters, including SROs and CROs. Board members participate in periodic capacity-building programmes and undergo evaluations of their sustainability competencies. This ongoing development enhances the Board's ability to monitor our objectives, policies, and strategies, and to review the SWC's implementation progress.

Our sustainability governance structure is outlined in the diagram below, which shows the roles and responsibilities of each level.

Sustainability Approach



Sustainability Approach

OUR POLICIES & PROCEDURES

Sustainability Policy



Economic



Environmental



Social



Governance

Sustainability Approach

STAKEHOLDER ENGAGEMENT

At Pecca, we view maintaining consistent communication with our internal and external stakeholders as critical to building a reputable and sustainable business. Furthermore, the engagements we undertake with our stakeholders are a key component of our sustainability approach, enabling us to identify and prioritise material sustainability matters, better understand their expectations and concerns, and develop practices and strategies that align with them.

Our key stakeholder groups include customers, investors, employees, suppliers, governments and regulators, as well as the communities in which we operate. These groups are identified based on their different levels of influence over and dependence on our business.

We engage with our stakeholders through a range of communication channels tailored to the needs of each group, supporting effective and meaningful engagement. The table below summarises our key stakeholders, engagement platforms and frequencies, areas of interest or concern, and our response.

KEY STAKEHOLDERS	ENGAGEMENT PLATFORM	AREAS OF INTEREST OR CONCERN	OUR RESPONSE
Customers 	As needed ➤ One-on-one and group meetings ➤ Public engagement events (e.g., roadshows, campaigns) Ongoing ➤ Customer support channels ➤ Print, digital and social media Annually ➤ CSS ➤ Feedback channels	➤ Product quality and safety ➤ Product innovation ➤ Ethical sourcing and production ➤ Customer satisfaction ➤ Customer data privacy	➤ Adhering to stringent product quality standards ➤ Maintaining an effective customer relationship management system for timely responses ➤ Adhering to our Personal Data Protection Notice
Investors 	As needed ➤ Press releases ➤ One-on-one and group meetings Ongoing ➤ Site visits Quarterly ➤ Financial reports and announcements ➤ Investor briefings Annually ➤ AGM ➤ IARs	➤ Business strategies and future plans ➤ Dividend payouts ➤ Overall financial and non-financial performance and stability ➤ Long-term growth and resilience ➤ Ethical business practices ➤ Good management and corporate governance ➤ Timely and accurate announcements ➤ Transparent financial reporting	➤ Providing timely updates on our strategy as well as financial and non-financial performances ➤ Upholding good governance across our Group and supply chain ➤ Monitoring our performance against our sustainability targets and KPIs

Sustainability Approach

KEY STAKEHOLDERS	ENGAGEMENT PLATFORM	AREAS OF INTEREST OR CONCERN	OUR RESPONSE
Employees 	As needed - Workshops and training sessions - Town halls Ongoing - Employee feedback surveys - Meetings - Internal communication (e.g., newsletters, emails) - Employee engagement programmes and events Annually - Employee appraisals and performance reviews	- Business growth and strategic direction - Remuneration and benefits - Workplace health, safety, and well-being - Diversity and equal employment opportunities - Training, career development, and upskilling opportunities - Corporate culture and values - Human rights - Employee welfare	- Promoting transparent communication with employees - Providing equal employment opportunities without discrimination - Offering industry-competitive benefits and remuneration packages - Providing relevant upskilling and development opportunities - Ensuring compliance with relevant occupational safety and health (“OHS”) regulations through an effective OHS management system
Suppliers 	As needed - Meetings Ongoing - Purchasing policies and guidelines - Supplier selection forms - Supplier assessment and audits	- Ethical sourcing and procurement practices - Compliance with quality standards and performance expectations - Supply chain sustainability - Strategic partnerships	- Ensuring transparent procurement processes - Conducting briefings on our ESG practices and policies - Ensuring adherence to our procurement practices
Governments and Regulators 	As needed - Scheduled/ad-hoc meetings Ongoing - Regulatory reporting and compliance submissions - Participation in government and regulatory events	- Compliance with regulations - Ethical and responsible business practices - Corporate governance practices - Contribution to the local economy - Public health and safety - Environmental and social impact	- Ensuring full compliance with regulatory requirements - Adopting practices outlined in the Malaysian Code on Corporate Governance - Supporting government initiatives

Sustainability Approach

DOUBLE MATERIALITY ASSESSMENT

In FY2026, we enhanced our materiality assessment approach by undertaking a DMA, which covered the following two dimensions:

- Financial materiality, which assesses whether sustainability-related risks and opportunities could reasonably be expected to affect our cash flow, access to finance, cost of capital, strategy, business model, or financial performance; and
- Impact materiality, which assesses our actual and potential positive and negative impacts on the economy, environment, people, and society.

The review included a comprehensive reassessment of existing material matters, identification of SROs, stakeholder engagement, and impact materiality and financial materiality assessments. As a result, our material matters were refined and expanded from eight to 13, providing greater clarity on the sustainability issues most relevant to our business, our stakeholders, and our long-term prospects.

The key steps of the assessment process are summarised below:

STEP 1: Review Material Matters and Identification of SROs

- Review existing material matters to ensure relevance and completeness
- Expanded to 13 material matters, with enhancements to wording and context
- **Introduced:** Data Privacy & Cybersecurity
- **Expanded:** Environmental Management to different matters, e.g., Climate Change, Energy Management, Water Management, Waste & Chemicals Management
- Expanded Employee Welfare to Occupational Safety & Health (OSH), Employee Development & Talent Management
- Identify SROs by taking into account the Group's resources, relationships and value chain

STEP 2: Stakeholder engagement and prioritisation

- Gather perspectives from internal and external stakeholders through: surveys, interviews and workshops
- Stakeholder groups engaged included the Board of Directors, employees, senior management, customers, suppliers, investors, Financial Institutions, Industry Associations, Regulators and Media

STEP 3: Assess significance (Financial Materiality and Impact Materiality)

- We evaluated our material matters and SROs through a structured workshop assessment that considered both impact and financial materiality
- For impact assessment, we evaluate actual and potential impacts based on: Scale, Scope, Remediability and Likelihood
- For financial materiality, we assess sustainability-related risks and opportunities based on: Magnitude, Likelihood, Potential impact on strategy, operations and financial performance

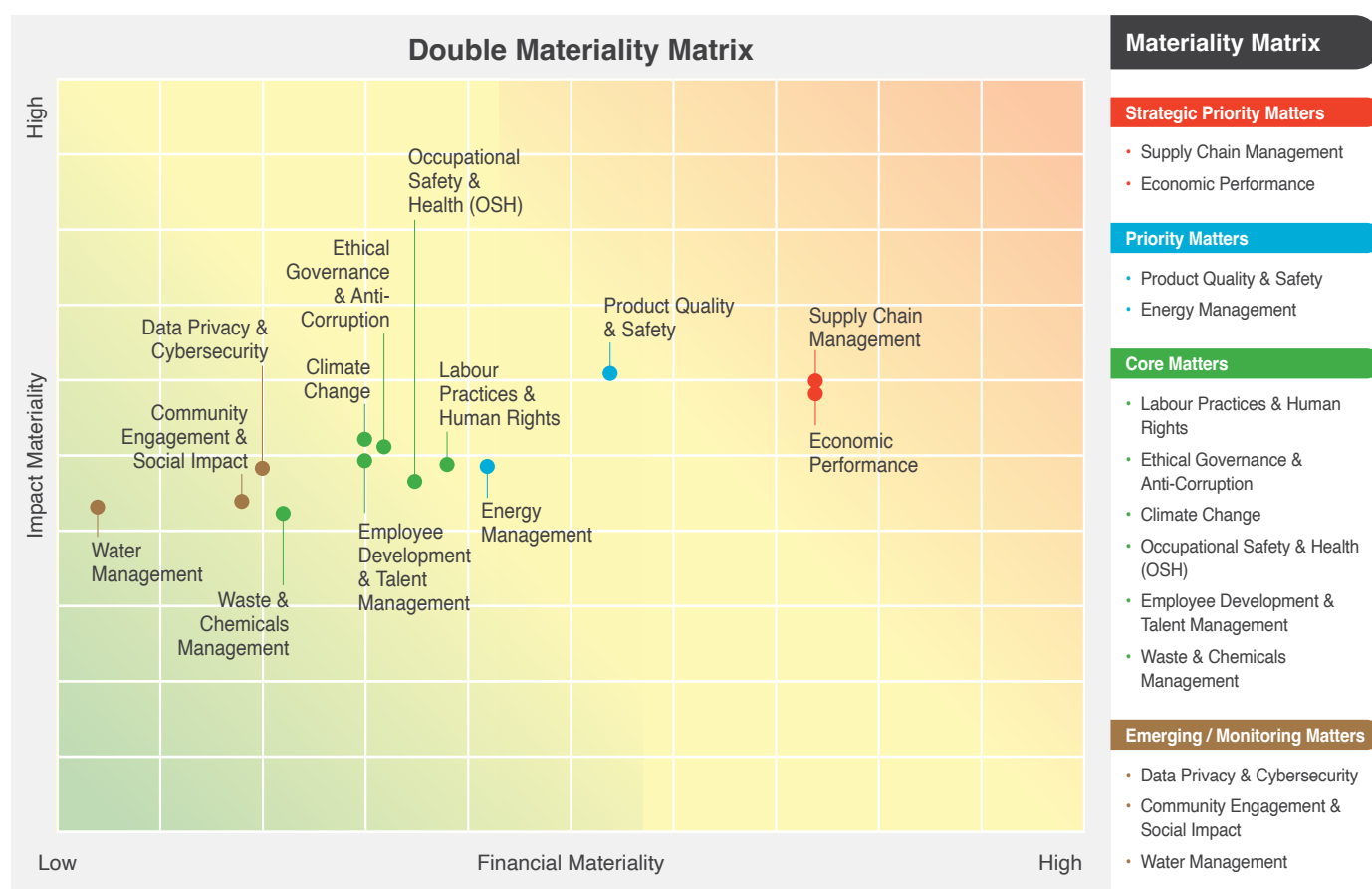
Sustainability Approach

STEP 4: > Prioritise material matters

- Combine impact and financial materiality results to determine:
 - (a) Priority Sustainability Matters;
 - (b) material SROs that could reasonably impact Pecca's prospects; and
 - (c) Double Materiality Matrix.

STEP 5: > Validate and approve

- Present the assessment results to Senior Management and the Board of Directors for validation and approval



Based on the DMA conducted, Supply Chain Management, Economic Performance, Product Quality & Safety and Energy Management, emerged as the priority material matters, reflecting their significance from both impact and financial materiality perspectives.

The outcomes of the DMA form the basis of this SS and inform how its disclosures are structured. Consistent with our climate-first adoption of the IFRS Sustainability Disclosure Standards, CROs are presented under Climate-Related Financial Disclosures, a standalone section within this SS. The remaining material sustainability matters are addressed in the subsequent sections, reflecting the broader sustainability topics most relevant to our stakeholders, operations, and long-term value creation.

Sustainability Approach

OUR SUSTAINABILITY MANAGEMENT APPROACH

Our approach to sustainability is anchored in the creation of long-term value through resilient economic performance, responsible supply chain practices, and the delivery of safe, high-quality products. We regularly assess SROs across our operations and value chain, taking into consideration stakeholder expectations, evolving regulatory requirements, and changing market conditions.

Through our DMA, we identified the sustainability matters that are most relevant to the Group's business, stakeholders, and long-term value creation. The assessment considered both the sustainability-related impacts arising from our activities and the risks and opportunities that sustainability matters may present to us. Where relevant, the material matters identified are also aligned with the UNSDGs, supporting our efforts to integrate sustainability considerations into business strategy, risk management, and operational decision-making.

The table below summarises our material sustainability matters, the key risks and opportunities associated with each matter, and the stakeholder groups most directly affected.

Material Matters	Risks	Opportunities	Stakeholders Involved	Primary SDGs
Economic Performance	➤ Economic downturns may reduce customer demand and affect business performance	➤ Developing sustainable leather treatments ➤ Collaborating with value-chain partners on eco-friendly initiatives ➤ Reinvesting in leading edge technologies to support business growth, resource efficiency, and long-term competitiveness	 	 
Supply Chain Management	➤ Supplier disruptions or non-compliance may affect operational continuity and business performance	➤ Refreshing our supplier base and strengthening our procurement processes to prioritise environmental and social concerns	 	 
Product Quality & Safety	➤ Defective or substandard products may lead to recalls, affecting customer and stakeholder trust in our organisation	➤ Maintaining robust quality assurance and product testing processes to strengthen customer confidence	 	 
Water, Energy & Waste Management Climate Change	➤ Resource constraints, environmental non-compliance and climate-related disruptions may increase operating costs and affect business continuity ➤ Inadequate climate-change mitigation and adaptation measures may damage physical assets, interrupt operations and result in financial losses	➤ Undertaking resource efficiency and climate resilience initiatives that also lead to reduced costs and strengthened operational resilience	 	 
Employee Development & Talent Management	➤ Skills gaps and limited workforce development may affect productivity and business performance	➤ Supporting workforce capability and long-term growth through talent development and upskilling		 

Sustainability Approach

Material Matters	Risks	Opportunities	Stakeholders Involved	Primary SDGs
Labour Practices & Human Rights	➤ Inadequate labour practices may affect employee engagement, retention, and stakeholder trust	➤ Supporting workforce stability and productivity through fair employment and inclusive workplace practices	 	 
Occupational Safety & Health	➤ Workplace incidents may result in injury, operational disruption, and regulatory consequences	➤ Upholding strong safety practices that promote employee well-being and enhance operational continuity	 	 
Community Engagement & Social Impact	➤ Community investments require ongoing resources and commitment	➤ Strengthening our reputation as a caring and socially responsible organisation by championing community causes	 	
Ethical Governance & Anti-Corruption	➤ Weak governance and instances of corruption could erode investor confidence and damage our reputation	➤ Enhancing trust, accountability, and business resilience through strong governance and ethical practices	 	
Data Privacy & Cybersecurity	➤ Cybersecurity incidents and data breaches may result in operational, financial, and reputational impacts	➤ Improving information security and stakeholder confidence through strong cybersecurity practices	 	

OUR SUSTAINABILITY PERFORMANCE SCORECARD

The following scorecard summarises our FY2026 sustainability commitments and targets, and our achievements against these goals, across our material sustainability matters.

Material Matters	Sustainability Goals	Targets	FY2026 Performance	Current Progress
Economic Performance	➤ Enhance economic performance by promoting responsible financial practices ➤ Increase value generated for our stakeholders ➤ Foster economic growth within our communities	Achieve economic value generation of at least RM200.0 million	Achieved economic value generation of RM225.6 million	
Product Quality & Safety	➤ Understand and respond effectively to customers' evolving needs, market developments, and industry trends ➤ Deliver safe, reliable, and quality products and services that meet customer expectations	Achieve a minimum overall customer satisfaction survey grand total score of 80.0% annually	Achieved an overall customer satisfaction survey grand total score of 94%	

Sustainability Approach

Material Matters	Sustainability Goals	Targets	FY2026 Performance	Current Progress
Supply Chain Management	➤ Develop a responsible, resilient, and sustainable supply chain ➤ Promote ethical and responsible sourcing practices ➤ Encourage suppliers to adopt appropriate ESG practices ➤ Support local procurement where commercially and operationally feasible	Assess 100% of our suppliers for compliance with relevant environmental laws and regulations	Assessed 100% of suppliers for compliance with relevant environmental laws and regulations	
Water, Energy & Waste Management	➤ Optimise energy consumption ➤ Increase energy efficiency ➤ Reduce GHG emissions ➤ Prevent water pollution ➤ Optimise water usage ➤ Reduce waste generation ➤ Promote recycling and responsible waste management	➤ Reduce Scope 1 and Scope 2 GHG emission by 5% from the 2025 baseline by 2030 ➤ Reduce water consumption intensity per revenue by 5% from the 2025 baseline by 2030	➤ Accounted for a total of 2,080.8 mtCO₂e of Scope 1 and Scope 2 GHG emissions ➤ Accounted for a total of 0.2 ML/ RM mil of water consumption intensity per revenue	
Climate Change	➤ Strengthen organisational resilience to climate-related risks	Increase waste diversion rate to 10% by 2030	Increased waste diversion rate to 30.0%	
Employee Development & Talent Management	➤ Ensure a safe and healthy work environment for all employees ➤ Provide training and educational opportunities for employees ➤ Enhance employees' skills and knowledge ➤ Contribute to personal growth and career development ➤ Strengthen talent attraction, engagement, development, and retention	Achieve an average of at least 8.0 training hours per employee	Achieved an average of 10.0 training hours per employee	
Occupational Safety & Health	➤ Strive towards zero workplace fatalities and preventable incidents ➤ Prioritise employee welfare including physical and mental well-being	Achieve zero workplace fatalities annually	Achieved zero workplace fatalities	
Labour Practices & Human Rights	➤ Promote diversity, equality, inclusion, and non-discrimination ➤ Provide fair and equitable employment practices	Achieve at least 30% women representation at the Senior Management level annually	Achieved 27.8% women representation at the Senior Management level	
	➤ Respect internationally recognised human and labour rights ➤ Foster an inclusive workplace in which employees are treated fairly and respectfully	Record zero substantiated complaints of human rights violations annually	Recorded zero substantiated complaints of human rights violations	

Sustainability Approach

Material Matters	Sustainability Goals	Targets	FY2026 Performance	Current Progress
Community Engagement & Social Impact	➤ Maintain meaningful and continuous engagement with relevant communities ➤ Contribute positively to community development and social well-being ➤ Support initiatives that generate sustainable and meaningful social impact	➤ Achieve zero confirmed incidents of actual and potential negative impacts on local communities annually ➤ Implement at least one meaningful community programme annually	➤ Recorded zero confirmed incidents of actual and potential negative impacts on local communities ➤ Held community programmes reaching 1,114 beneficiaries	
Ethical Governance & Anti-Corruption	➤ Maintain high standards of integrity, accountability, and ethical business conduct ➤ Ensure compliance with applicable laws, regulations, and internal policies ➤ Maintain zero tolerance for bribery and corruption ➤ Strengthen awareness of ethical conduct throughout the organisation	Record zero confirmed incidents of corruption annually	Recorded zero confirmed incidents of corruption	
Data Privacy & Cybersecurity	➤ Protect personal, confidential, and commercially sensitive information ➤ Strengthen cybersecurity resilience and safeguard information systems ➤ Promote employee awareness of cybersecurity and data protection responsibilities ➤ Respond effectively to cybersecurity threats, incidents, and data breaches	Achieve zero confirmed incidents of substantiated complaints concerning breaches of customer privacy and losses of customer data	Recorded zero substantiated complaints concerning breaches of customer privacy and losses of customer data	



Achieved



Ongoing



SUSTAINABILITY STATEMENT 2026

Climate-related Financial Disclosures

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Climate-related Financial Disclosures

As part of our preparation for the climate-first application of the IFRS Sustainability Disclosure Standards under the NSRF, the following section presents our climate-related financial disclosures, covering the pillars of governance, strategy, risk management, and metrics and targets, focusing on material CROs.

The section also addresses Climate Change as a material sustainability matter identified through our DMA, including our approach to managing its associated impacts within our operations.

Our Approach to Climate Change

Climate change may give rise to both physical and transition risks that could affect our operations, supply chain, financial performance, and long-term business prospects. We consider the potential implications of these risks across the short, medium, and long term, progressively integrating material climate-related risks into our risk management and strategic decision-making processes. Where relevant, we also evaluate their potential financial implications, including effects on revenue, operating expenditure, capital expenditure, assets, supply-chain costs, and business opportunities.

Moving forward, we will continue to enhance our climate-related risk assessment, including through the application of climate scenario analysis and further evaluation of current and anticipated financial effects, as part of our progressive alignment with IFRS S2 Climate-related Disclosures.

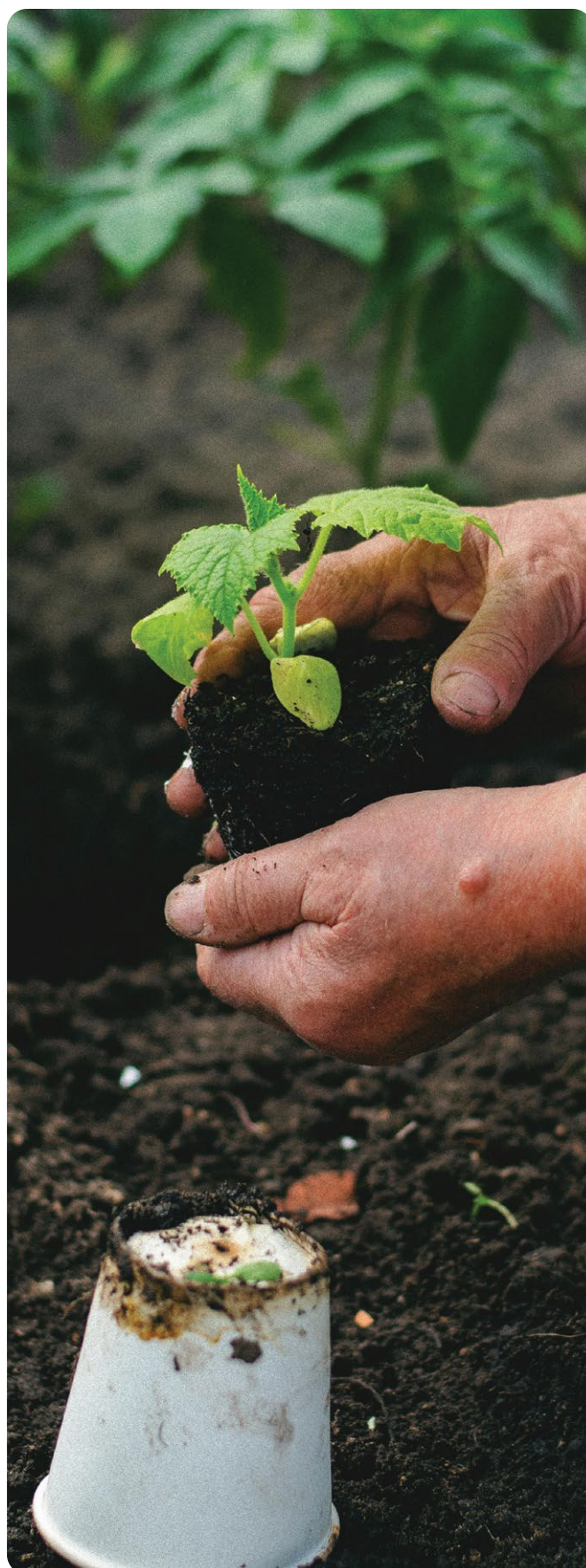
Climate Governance

Pecca's oversight of CROs is integrated within its broader sustainability governance framework. The Board retains overall accountability for overseeing sustainability-related matters, including climate-related risks and opportunities that could affect the Group's long-term resilience, business performance and value creation.

Supporting the Board is the SWC which plays an important role in monitoring sustainability-related developments, identifying emerging risks and opportunities, and facilitating the implementation of sustainability initiatives across the Group. Through its multidisciplinary composition, the SWC provides a platform for assessing climate-related considerations alongside other material sustainability matters and business priorities.

1. Climate-related Remuneration

Climate-related performance indicators are not presently incorporated into our executive remuneration arrangements. Nevertheless, we will continue to monitor developments in climate-related performance management and assess the appropriateness of incorporating relevant indicators into executive remuneration arrangements in the future.



Climate-related Financial Disclosures

Climate Strategy

1. Climate-related Risks and Opportunities

We recognise that climate change presents both risks and opportunities that may influence our operations, financial performance, and long-term business prospects. Climate-related risks comprise physical risks arising from changing climatic conditions, including extreme weather events and rising temperatures, as well as transition risks associated with the global transition towards a lower-carbon economy such as evolving regulatory requirements, technological developments, and changing customer expectations.

At the same time, the transition towards a lower-carbon economy presents opportunities for us to enhance operational efficiency, manage energy costs, and support sustainable business growth. Key opportunities include increasing renewable energy utilisation, improving energy and manufacturing efficiency, developing

sustainable and lower-impact materials, strengthening supply-chain resilience, and responding to growing demand for sustainable automotive solutions.

In assessing CROs, we consider their potential impacts across the short, medium, and long term, including potential effects on revenue, operating costs, capital expenditure, financial position, cash flows, and access to financing. These time horizons are aligned, where appropriate, with our strategic planning, financial planning, capital expenditure, and risk management processes.

For climate-related assessments, we apply the following time horizons, aligned with the Group's strategic planning horizons:

Time Horizon	Definition
Medium term	1-3 years
Long term	4-6 years



Climate-related Financial Disclosures

1. Climate-related Risks and Opportunities (Cont'd)

a. Integrated Climate-related Risks (Financial Implications & Time Horizons)

Climate-related Risk	Risk Category	Potential Impact	Potential Financial Impact	Time Horizon
Extreme weather events, including flooding and heavy rainfall	Physical, Acute	➤ Disruption to manufacturing operations, logistics, and movement of employees ➤ Damage to facilities, equipment, or inventories ➤ Interruption to suppliers	➤ Potential loss of revenue from production interruption; higher repair and maintenance costs; increased insurance premiums; inventory losses; additional logistics costs	Long Term
Rising temperatures and prolonged heat stress	Physical, Chronic	➤ Increased cooling requirements ➤ Higher electricity consumption ➤ Potential impacts on employee working conditions and operational efficiency	➤ Higher electricity and operating costs ➤ Additional expenditure on cooling, ventilation, or workplace improvements	Medium to Long Term
Increasing climate and environmental regulation	Transition, Policy & Legal	➤ More stringent GHG reporting, environmental requirements, carbon-related regulations, and sustainability disclosure obligations	➤ Higher compliance costs; additional investment in monitoring and data systems ➤ Potential carbon-related costs; possible penalties for non-compliance	Medium to Long Term
Increasing energy and electricity costs	Transition, Market	➤ Higher cost of electricity and fuel used in manufacturing activities ➤ Potential exposure to future carbon-related energy costs	➤ Increased cost of production and operating expenditure ➤ Potential adverse impact on operating margins	Medium Term
Supply-chain disruptions arising from climate change	Physical, Transition	➤ Extreme weather or climate-related events affecting raw-material suppliers, transportation networks, or availability of key materials	➤ Higher raw-material and logistics costs ➤ Production delays ➤ Potential lost sales ➤ Increased inventory requirements	Medium to Long Term
Increasing expectations for lower-carbon and sustainable materials	Transition, Market	➤ Growing OEM and end-customer preference for environmentally responsible, recycled, or lower-impact materials	➤ Potential R&D and material qualification costs ➤ Changes in procurement costs ➤ Potential opportunity for new revenue and improved market positioning	Medium to Long Term
Difficulty in meeting future GHG reduction expectations or targets	Transition, Reputation & Market	➤ Insufficient progress in decarbonising operations or value chain could affect stakeholder perception and customer assessments	➤ Potential loss of business opportunities ➤ Increased future decarbonisation expenditure ➤ Possible impact on financing costs or accessibility to sustainability-linked financing	Medium to Long Term

Climate-related Financial Disclosures

1. Climate-related Risks and Opportunities (Cont'd)

b. Integrated Climate-Related Opportunities (Financial Implications & Time Horizons)

Climate-related Opportunity	Opportunity Category	Potential Impact	Potential Financial Impact	Time Horizon
Expansion of renewable energy utilisation	Energy Source, Resource Efficiency	Increasing the use of solar and other renewable energy may reduce our reliance on grid electricity and lower Scope 2 GHG emissions.	➤ Potential reduction in electricity costs and exposure to future energy price increases ➤ Potential capital expenditure for additional renewable energy capacity ➤ Longer-term operating cost savings	Medium to Long Term
Improvement in energy and manufacturing efficiency	Resource Efficiency	Adoption of energy-efficient equipment, smart manufacturing, automation, and optimisation of production processes may reduce energy consumption and emissions intensity.	➤ Potential reduction in energy and production costs ➤ Productivity improvements ➤ Longer-term cost savings and improved margins from initial capital expenditure	Medium Term
Development of sustainable and lower-impact materials	Products & Services	Growing demand from automotive customers for sustainable, recycled, and lower-carbon materials provides opportunities to develop environmentally responsible automotive upholstery and interior products.	➤ Potential new revenue streams and increased sales to sustainability-focused customers ➤ Potential R&D and product-development expenditure ➤ Improved product margins and competitiveness where value-added solutions are successfully commercialised	Long Term
Sustainable and local supply-chain development	Resource Efficiency, Resilience	Greater engagement with local and sustainable suppliers may shorten supply chains, improve supply security, and potentially reduce transportation-related emissions.	➤ Potential reduction in logistics and transportation costs ➤ Lower exposure to international freight volatility and supply disruption ➤ Improved continuity of production and revenue	Medium Term
Access to sustainable financing and improved capital allocation	Financial, Markets	Stronger climate governance, effective emissions management, and the implementation of credible climate targets may enhance our sustainability profile among lenders and investors.	➤ Potential access to green or sustainability-linked financing and potentially more favourable financing terms, subject to lender requirements and our ability to meet the relevant performance criteria	Long Term

Climate-related Financial Disclosures

2. Climate Scenario Analysis

We conducted a qualitative climate scenario analysis to assess the potential implications of climate-related risks and opportunities under business-as-usual and net-zero pathways. The analysis considered both physical and transition-related factors, providing a foundation to enhance our understanding of how climate change could affect our business over different time horizons.

To assess physical climate risks, we used the IPCC RCP 8.5 scenario, which represents a high-emissions, business-as-usual pathway characterised by limited mitigation efforts and significant long-term warming of approximately 4°C.

For transition risks, we used the NGFS Net Zero 2050 scenario, which represents an ambitious decarbonisation pathway towards net-zero emissions by 2050, supported by stringent climate policies, accelerated technological innovation, and rapid economy-wide decarbonisation.

Scenario	Risk/Opportunity Category	Issue	Potential Impact
IPCC RCP 8.5/4°C	Physical Risk - Acute	Increased occurrence of extreme weather events such as floods	➤ Flooding can cause significant damage to factory infrastructure, disrupt supply chain activities, and compromise the health and safety of our employees. ➤ Additional financial resources would be required to implement effective mitigation and preventive measures.
	Transition Risk - Regulation	Impacts from the introduction of carbon pricing mechanisms	➤ Carbon pricing mechanisms may increase energy, compliance and operating costs.
NGFS Net Zero 2050	Transition Risk - Reputation	Perception of climate inaction amongst stakeholders	➤ The Group's reputation may suffer if stakeholders perceive inaction or neglect on climate-related risks. ➤ Stakeholder expectations relating to climate performance may influence investor confidence and customer assessments.
	Opportunity - Markets	Growing demand for low-emission products	➤ By aligning with evolving consumer preferences towards sustainability, we can strengthen our long-term competitive position. ➤ Introducing low-emission products and services gives us the opportunity to open new, sustainable revenue streams.
	Opportunity - Resilience	Adoption of renewable energy solutions	➤ Increasing renewable energy utilisation may reduce reliance on grid electricity and support emissions-reduction efforts. ➤ By diversifying our energy sources, we can reduce our reliance on the national grid, enhancing both resource efficiency and energy security.

We will continue to progressively enhance the depth and breadth of our climate-related assessment and disclosures as reporting practices mature. These efforts are intended to improve our climate resilience and preparedness, supporting more informed decision-making as we advance our broader sustainability ambitions.

Climate-related Financial Disclosures

3. Climate Resilience Assessment

Based on the qualitative assessment performed, we identified a number of physical and transition-related risks that could potentially affect our operations, supply chain, operating costs, and business continuity over time. At the same time, the assessment also highlighted opportunities relating to renewable energy adoption, resource efficiency, supply chain resilience, and evolving customer demand for lower-impact products.

While we gained a more thorough understanding of our potential climate-related exposures, the conclusions drawn from this exercise do not represent a prediction of future outcomes. The actual impacts experienced by our business will depend on a range of factors, including the pace of regulatory developments, technological advancements, market responses, and the severity of physical climate-related events.

Nevertheless, our findings will continue to inform our ongoing assessment of CROs while supporting the strengthening of our risk management, business planning, and sustainability initiatives.

Risk Management

Our established enterprise risk management (“ERM”) framework provides a structured approach to identifying, assessing, prioritising, and monitoring climate-related risks, including their potential implications for our business strategy, operations, and financial performance. The key steps involved are outlined below:

- 1. Risk Identification:** Identifying and documenting relevant climate-related physical and transition risks that may affect our business objectives through semi-annual reviews of risk profiles across all functions and operating units.
- 2. Risk Assessment:** Assessing the likelihood of occurrence and potential impact of climate-related risks using Group-wide risk assessment criteria which categorise risks into four ratings: Low, Medium, Significant, and High.
- 3. Risk Prioritisation:** Prioritising identified risks based on their assessed risk ratings to ensure that critical and higher-rated risks are addressed first.
- 4. Risk Monitoring:** Monitoring identified climate-related risks on an ongoing basis and formulating appropriate control and mitigation measures to manage these risks.
- 5. Risk Deliberation:** Reviewing and updating our risk management framework semi-annually to ensure alignment with our strategic objectives and the evolving risk landscape.

Metrics and Targets

1. GHG Emissions Performance

In FY2026, our GHG emissions amounted to 2,896.4 mtCO₂e, comprising 242.3 mtCO₂e of Scope 1 emissions, 1,838.5 mtCO₂e of Scope 2 emissions and 815.6 mtCO₂e of Scope 3 emissions.

Scope 1 emissions decreased by approximately 33.2% compared with FY2025, mainly reflecting lower direct fuel consumption during the year, while Scope 2 emissions increased moderately by approximately 3.5%, in line with higher grid electricity consumption. The increase in our reported Scope 3 emissions should be viewed in the context of the Group having commenced the collection and reporting of Scope 3 emissions data in FY2025. As our data collection processes continue to mature, we have progressively enhanced the availability and completeness of relevant value chain emissions data, resulting in broader reporting coverage in FY2026.

Moving forward, we will continue to strengthen our GHG emissions monitoring and data collection processes while pursuing opportunities to improve energy efficiency, increase our utilisation of renewable energy, and progressively manage emissions across our operations and value chain.

	Total Group Emission (mtco ₂ e) ¹		
	FY2024	FY2025	FY2026
Scope 1 ²	317.8	362.5	242.3
Scope 2 ³	1,656.3	1,775.3	1,838.5
Scope 3 ^{2,4}	-	376.0	815.6
Total	1,974.1	2,513.8	2,896.4

Notes:

- GHG emissions calculation is done in accordance with the methodology prescribed by Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)
- Emission factor is obtained from the United Kingdom's (“UK”) Department for Energy Security and Net Zero and Department for Business, Energy & Industrial Strategy
- Malaysia's grid emission factor is obtained from Suruhanjaya Tenaga's publication, “Grid Emission Factor (GEF) in Malaysia”. Indonesia's grid emission factor is obtained from the country's electricity provider, PT Perusahaan Listrik Negara (Persero)
- Scope 3 disclosure began in FY2025 and covers Category 6: Business Travel and Category 7: Employee Commuting

Climate-related Financial Disclosures

Our main manufacturing facility, Pecca Leather Sdn. Bhd., is equipped with solar panels as part of our efforts to adopt better energy management practices through the use of renewable energy. We have also installed water-cooling systems at our Malaysian manufacturing site and employee hostel to reduce our reliance on conventional air-conditioning systems, which utilise refrigerants that can contribute to fugitive emissions.

As a result of these initiatives, we managed to avoid up to 201.7 mtCO₂e in emissions during FY2026.

	FY2024	FY2025	FY2026
Avoided Emission from Solar Panels Usage (tCO ₂ e)	183.6	283.4	201.7

2. Internal Carbon Pricing

We do not currently apply internal carbon pricing (“ICP”) in our decision-making processes. Moving forward, we will continue to monitor developments in carbon pricing mechanisms and assess the relevance of adopting ICP as part of our approach to managing climate-related risks and supporting future climate-related decision-making.





SUSTAINABILITY STATEMENT 2026

Other Material Sustainability Matters

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Other Material Sustainability Matters

Managing Our Material Sustainability Matters

Beyond Climate Change, our DMA identified a range of sustainability matters that are important to our stakeholders, business strategy, and long-term value creation. The following section outlines our approach, performance, and progress in addressing these matters.

Economic Growth



Economic Performance



Why is This Important ?

Sustainable economic performance is fundamental to our long-term resilience and ability to create enduring value for our stakeholders. A strong financial foundation enables us to invest in innovation, enhance our product and service offerings, strengthen our operational capabilities, and pursue strategic growth opportunities while maintaining the quality and craftsmanship that distinguish our products in the market.

Beyond delivering returns to shareholders, the economic value generated by our business supports a broader ecosystem of stakeholders, including employees, customers, suppliers, business partners, and the communities in which we operate. By maintaining financial discipline and deploying resources responsibly, we seek to generate and distribute economic value in a manner that supports sustainable business growth and shared prosperity over the long term.

OUR APPROACH

Strategic Business Plan

We adopt a disciplined and forward-looking approach to business planning to sustain our economic performance and strengthen long-term business resilience. This includes continually monitoring market developments, evolving customer expectations and stakeholder needs to identify emerging opportunities and respond effectively to changes in the operating environment.

Leveraging prudent financial management, strategic resource allocation, and rigorous investment, we seek to maintain a robust financial position while ensuring that we remain responsive to market demand. This strengthens our position in pursuing sustainable growth opportunities.

Risk and opportunity management forms an integral part of our strategic planning process. Via this process, we allocate appropriate resources and implement measures to identify, assess, and manage key risks while capitalising on opportunities that may contribute to future growth and value creation. Our risk management framework is overseen by the Board, supported by the ARMC, to ensure that we maintain an appropriate enterprise risk profile.

With these measures, we aim to balance growth, financial resilience, and responsible value creation, supporting the long-term sustainability of our business and the interests of our stakeholders.

Other Material Sustainability Matters

OUR PERFORMANCE

Value Generation

We create economic value through diversified business activities, with the automotive segment remaining our principal revenue contributor. The segment encompasses the design, manufacturing, distribution, and installation of leather upholstery for automotive seat covers, as well as the supply of leather cut pieces to the automotive leather upholstery industry. Other business segments

include Aviation, which broadens our business portfolio and provides additional avenues for long-term value creation.

Beyond financial performance, our economic performance reflects our ability to maintain a resilient business, invest in future growth, meet our financial obligations, and generate economic value that can be shared with stakeholders, including employees, suppliers, shareholders, governments, and the wider community.

Through disciplined financial management, operational efficiency, and strategic investment, we seek to strengthen our revenue-generating capabilities while progressively diversifying our sources of economic value. These efforts support our long-term financial resilience and continued ability to invest in business expansion, innovation, and other strategic opportunities.

The table below presents the economic value generated over the past three financial years:

	Unit	FY2024	FY2025	FY2026
Revenue	RM mil	242.5	224.5	222.0
Financial investment income (e.g., interest income, investment income)	RM mil	4.2	4.1	3.5
Revenue from sale of assets (e.g., sale of physical or intangible assets)	RM mil	0.4	0.1	0.1
Economic Value Generated (A)	RM mil	247.1	228.7	225.6
Operating costs	RM mil	146.6	128.0	132.2
Employee wages and benefits	RM mil	43.1	35.6	40.2
Payment to providers of capital	RM mil	28.0	62.8	40.3
* Dividends to shareholders	RM mil	27.7	62.5	39.8
* Finance costs	RM mil	0.3	0.3	0.5
Payments to governments (e.g., tax)	RM mil	17.5	20.9	15.6
Community investment (e.g., donations, charity)	RM mil	0.2	0.4	0.1
Economic Value Distributed (B)	RM mil	235.5	247.7	228.4
Economic Value Retained (A-B)	RM mil	11.6	(19.0) ²	(2.8) ²

1. FY2024 figures have been updated to align with the Group's current calculation methodology

2. Primarily attributable to dividend payments made to shareholders, reflecting our appreciation for their unwavering support in addition to our continued growth

Other Material Sustainability Matters

Supply Chain Management



Why is This Important ?

We strive to build a responsible and resilient supply chain that supports sustainable business growth while delivering value to stakeholders. Our suppliers and service providers are key partners in maintaining product quality, operational effectiveness, and responsible business practices throughout the value chain.

OUR APPROACH

Supplier Engagement

Responsible supply chain management is integral to maintaining our high product standards, driving operational resilience, and supporting our overall sustainability performance. We are committed to upholding responsible sourcing practices and seek to engage suppliers that demonstrate the ability to meet our expectations in relation to quality, reliability, cost competitiveness, service, environmental management, OHS and responsible business practices.

As part of our supplier selection and assessment process, we consider relevant environmental and social factors prior to engagement. This helps us identify potential supply chain risks while maintaining a pool of reliable and responsible suppliers that support our operational and sustainability objectives.

Recognising the important role of our suppliers in advancing sustainability across the value chain, we also seek, where appropriate, to encourage their adoption of responsible practices, including efficient

resource use, responsible waste management, safe and fair working conditions, compliance with applicable laws and regulations, and ethical business conduct. Through ongoing engagement and collaboration, we aim to promote continuous improvement in our suppliers' practices, strengthen supply chain resilience, and progressively enhance sustainability performance across our value chain.

Supplier Performance Assessment

As part of our supplier onboarding and development practices, the Purchasing Department performs factory audits on potential suppliers to ensure compliance with our quality and operational requirements, as well as our social and environmental standards. These audits are conducted as needed, based on the criticality of the component and the supplier's background.

In addition to this initial assessment, we conduct Supplier Performance Assessments to monitor supplier performance against established criteria. This assessment provides a structured approach to evaluate suppliers and identify areas requiring improvement.

The key assessment areas include:

Aspect	Assessment Criteria
Delivery	➤ Timeliness and reliability of delivery without the need for frequent follow-up ➤ Accurate fulfilment of goods and services ➤ Ability to provide competitive lead times and maintain appropriate buffer stock, where applicable
Quality	➤ Reliable supply of quality products and services ➤ Consistency in product and service quality ➤ Responsiveness and commitment to corrective action when defects or complaints arise ➤ Accuracy and completeness of supporting documentation
Price / Cost	➤ Competitive pricing and overall value ➤ Price stability ➤ Opportunities for cost optimisation, including volume rebates and appropriate payment terms
Service	➤ Timely and responsive customer service ➤ Proactive sharing of relevant market developments and trends ➤ Accessibility of sales and customer service representatives ➤ Availability of appropriate technical support and assistance
Environment, Health & Safety and ESG	➤ Relevant environmental and OHS management certifications, including ISO 14001 and ISO 45001, where applicable ➤ Compliance with applicable environmental laws and regulations ➤ Adoption of relevant ESG and responsible business practices

The assessment process supports continuous improvement in supplier performance by enabling us to monitor performance, identify areas for improvement, and strengthen ongoing engagement with suppliers, while supporting the progressive embedding of sustainability considerations into our procurement and supplier management practices. Where necessary, we communicate our findings to suppliers to encourage corrective action.

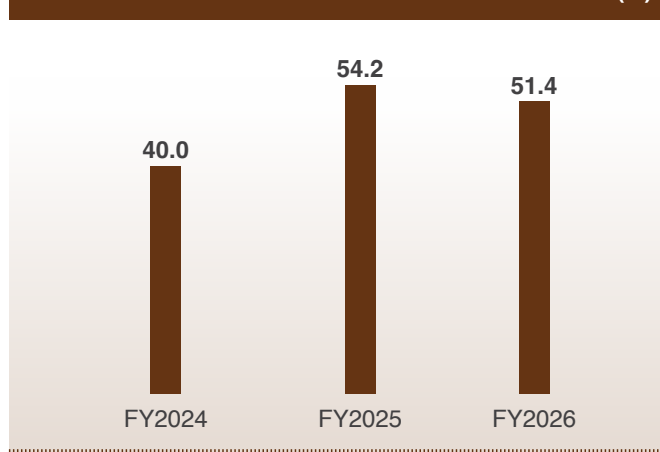
Other Material Sustainability Matters

OUR PERFORMANCE

During FY2026, we completed a full assessment of all our suppliers for compliance with relevant environmental laws and regulations, reflecting our ongoing efforts to strengthen responsible sourcing practices and support environmental sustainability within our supply chain.

In line with our commitment to local economic development and strengthening supply chain resilience, we prioritised engagement with local suppliers that are able to meet our requirements for quality, cost competitiveness, reliability, and responsible business practices, where commercially and operationally viable. In line with this, 51.4% of our procurement spend in FY2026 was directed to local suppliers.

PROPORTION OF SPENDING ON LOCAL SUPPLIERS (%)



Other Material Sustainability Matters

Environmental Management



Environmental Management (Energy Management, Water Management, Waste & Chemicals Management)



Why is This Important ?

Amid growing concerns over climate change and environmental degradation, reducing our environmental footprint is essential to operating as a responsible organisation. Failure to take adequate action could expose us to regulatory risk, reputational damage, and operational disruption, while causing lasting harm to ecosystems and communities. By proactively managing our environmental impacts, we help safeguard natural resources, strengthen business resilience, and support long-term sustainable growth in an increasingly resource-constrained world.

OUR APPROACH

Environmental Stewardship

Guided by our Environmental Policy, we are committed to conducting our operations responsibly and minimising the environmental impacts arising from our activities. We adopt a proactive approach to environmental stewardship by integrating such considerations into our operations, promoting resource efficiency and preventing pollution where possible, while also fostering greater awareness across the organisation. Our key commitments include:

- Complying with all applicable environmental laws, regulations, and other relevant requirements;
- Strengthening environmental management practices through the active participation of employees and engagement with relevant stakeholders;
- Implementing environmental management programmes and initiatives aimed at preventing pollution, minimising environmental impacts, and improving the efficient use of resources; and
- Providing employees with appropriate education, training, and awareness on environmental risks, life-cycle perspectives, and environmental impacts to embed environmental responsibility and promote continuous improvement across our operations.

As part of our ongoing efforts to enhance environmental performance, we continue

to implement initiatives across our facilities that focus on renewable energy adoption, energy efficiency, resource conservation, and operational efficiency. These include:

- Utilisation of solar photovoltaic ("PV") systems to support the use of renewable energy;
- Deployment of automatic motion-sensor and solar-powered lighting to improve energy efficiency;
- Utilisation of solar-powered LED street lighting;
- Adoption of energy-efficient LED lighting across office and production areas;
- Utilisation of water-based cooling systems at the factory and employee hostel; and
- Consolidation of shipments to improve fleet and logistics efficiency.

Upholding Globally-Recognised Best Practices

In accordance with our commitment to best practices in environmental management, our main manufacturing facility in Malaysia remains certified to ISO 14001:2015, the internationally recognised standard for EMS. To maintain this certification, we embed environmental considerations throughout our manufacturing processes while ensuring compliance with applicable regulatory requirements and relevant customer expectations.

Other Material Sustainability Matters

Energy & Carbon Emission Monitoring

Through our EMS, we systematically record and monitor energy consumption across our facilities to track performance, identify opportunities for energy efficiency and optimisation, and support the effective management of our environmental footprint.

We continue to strengthen our energy and carbon management practices by leveraging performance data to improve operational and cost efficiency while monitoring and managing GHG emissions. Beyond Scope 1 and Scope 2 emissions, we are progressively expanding our monitoring to cover relevant Scope 3 emissions, including those associated with business travel and employee commuting. This provides a stronger foundation for understanding our carbon footprint, identifying opportunities for emissions reduction, and supporting our broader climate and sustainability objectives.

Water Management

Although our manufacturing processes are not water-intensive, we recognise that responsible water management and conservation are important components of environmental stewardship.

Our water consumption is primarily associated with domestic and general operational purposes, and we monitor usage to identify trends and opportunities to improve water efficiency. We also promote responsible water consumption and conservation among employees through awareness initiatives, including strategically placed signage and notices across our facilities.

Moving forward, we will continue to explore practical opportunities to improve water-use efficiency and minimise unnecessary consumption in support of our broader sustainability objectives.

Material Tracking

Efficient management and utilisation of raw materials is integral to improving resource efficiency and thereby minimising material wastage and the environmental impact of our manufacturing activities.

To support effective material management, we leverage our SAP enterprise resource planning system, which enables us to monitor and manage material usage across our production processes. Bills of Materials ("BOMs") are maintained for individual job specifications to facilitate accurate material planning and allocation, helping to ensure that the appropriate quantity of materials is used for each production requirement.

In addition, we continuously seek opportunities to optimise material consumption, improve cutting efficiency, and minimise production off-cuts, which also improves productivity while supporting responsible use of resources.

Waste Management

We have implemented structured pollution control and waste management procedures through our EMS to promote the responsible handling, segregation, storage, and disposal of waste generated from our operations.

In accordance with applicable regulatory requirements, relevant waste streams are segregated prior to disposal or recovery, where appropriate. This enables improved waste handling and supports our efforts to minimise the volume of industrial waste directed to landfills.

We also adopt the 3R principles of Reduce, Reuse, and Recycle across our manufacturing activities. These

principles are embedded across our operational initiatives and have led to the adoption of various material management practices including optimising material cutting layouts to minimise off-cuts, utilising residual materials for the production of souvenir products where practicable, and recycling scrap materials through appropriate channels.

Moving forward, we will continue to explore opportunities to improve material efficiency, enhance waste recovery, broaden our recycling practices, and progressively reduce waste generation in support of our broader commitment to responsible resource consumption and sustainable manufacturing.

OUR PERFORMANCE

Energy

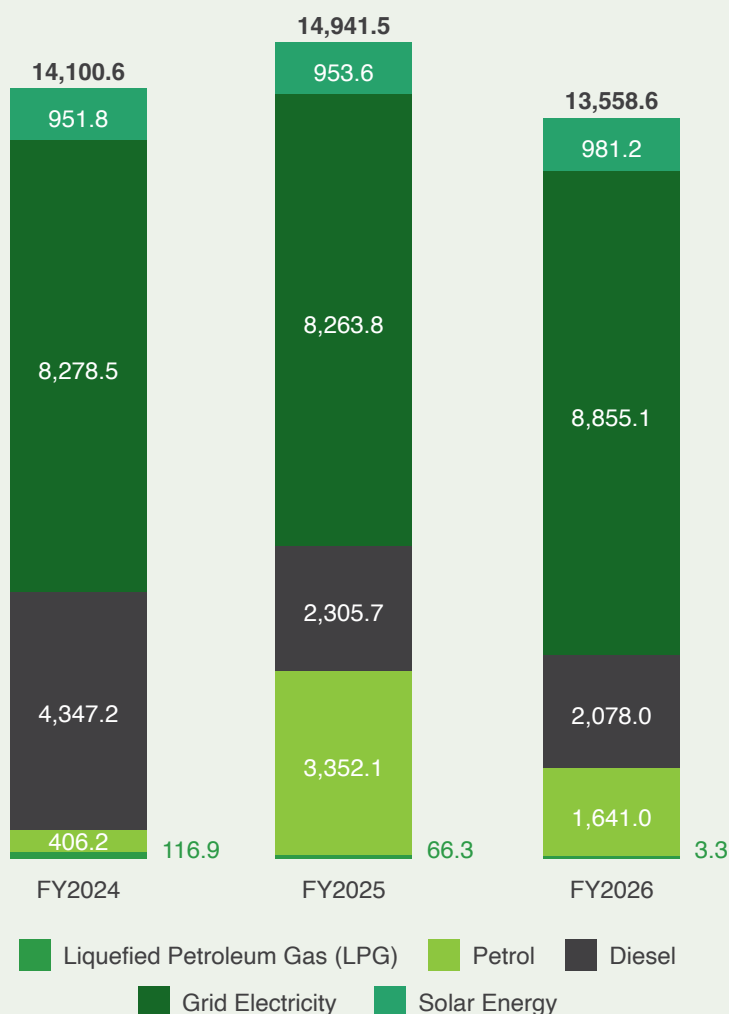
In FY2026, we recorded total energy consumption of 13,558.6 GJ, representing a 9.3% decrease from 14,941.5 GJ in FY2025. Energy consumption primarily supported our manufacturing operations and business travel activities.

Our solar PV systems generated 1,042.6 GJ of renewable energy during the year, of which 61.4 GJ was exported to the grid through Tenaga Nasional Berhad. The remaining 981.2 GJ was consumed by our operations, accounting for approximately 7.2% of our total energy consumption.

Moving forward, we remain committed to improving energy efficiency and optimising energy use across our operations, while exploring opportunities to increase the contribution of renewable energy where practicable.

Other Material Sustainability Matters

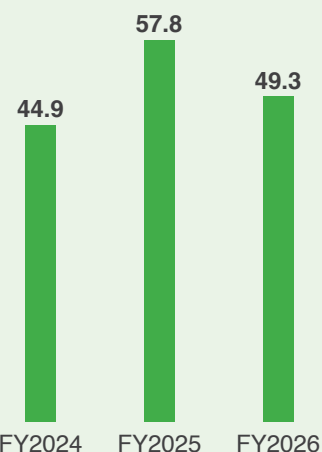
TOTAL GROUP ENERGY CONSUMPTION (GJ)



Water Utilisation

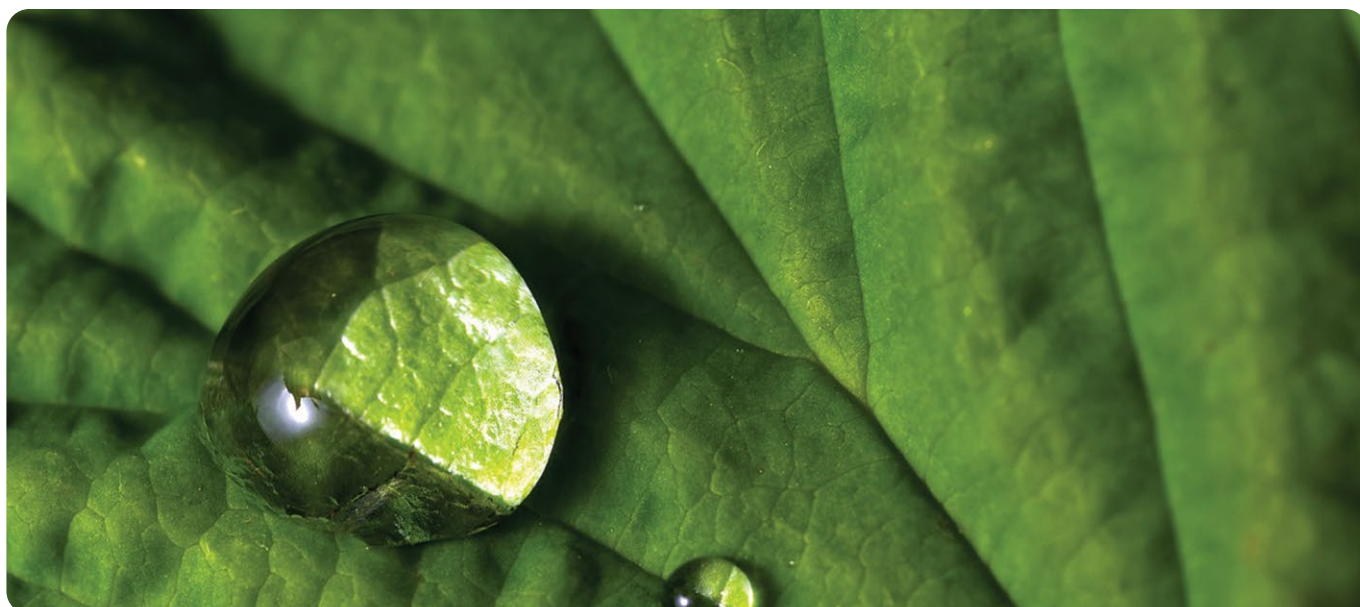
As our operations rely more on manual labour than on complex machinery or hazardous substances, and our wastewater contains no harmful industrial pollutants, local authorities do not require us to undertake water discharge monitoring. Nonetheless, we conduct annual wastewater testing to ensure compliance with current regulations and to mitigate any potential environmental impacts.

WATER CONSUMPTION (ML)¹



Note:

1. Water consumption volume is equal to volume of water withdrawn from municipal water sources



Other Material Sustainability Matters

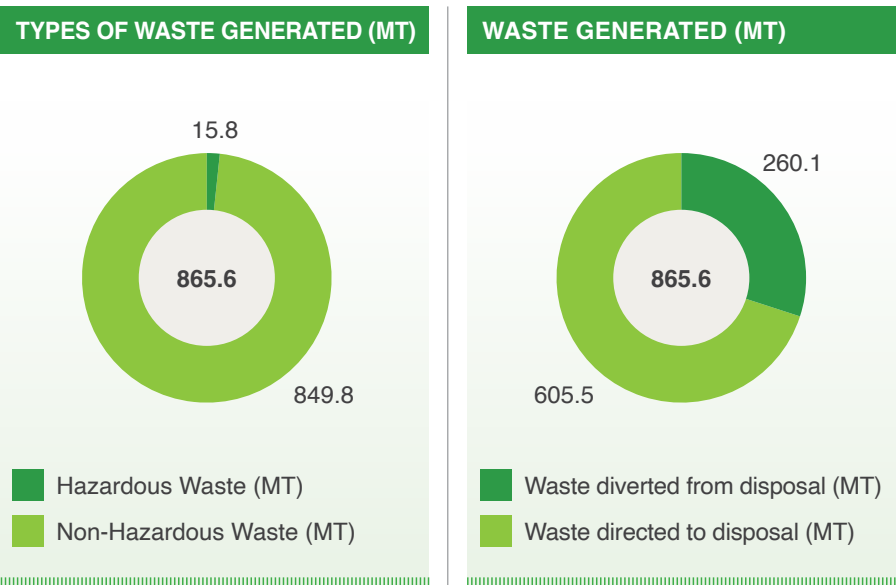
Material Consumption

In FY2026, we utilised approximately 4,800,000 metres of raw materials in our manufacturing processes. This reflects the scale of our production activities and provides a baseline for monitoring material efficiency in future periods. By keeping track of usage levels, we will be able to assess our performance over time and identify areas for improvement in resource management.

	FY2026
Leather (sqft)	6,315,145
Fabric (m)	1,399,449
PVC (m)	617,760
Microfibre (m)	38,751
Foam (m)	1,895,426
Carpet (m)	290,825
PU (m)	3,702

Waste Generation

As a manufacturer, we recognise that responsible waste management is crucial to our operations. In FY2026, we generated a total of 865.6 MT of waste, comprising 15.8 MT of hazardous waste and 849.8 MT of non-hazardous waste. Of this amount, 260.1 MT or 30.0% of the total waste generated was successfully diverted from disposal through recycling and recovery initiatives.



Material Circularity

A notable outcome of our efforts to improve material circularity is the repurposing of balance-cut leather from our production processes to manufacture souvenirs. By diverting usable off-cuts from disposal, this practice reduces production waste and improves resource efficiency. It also supports our waste management and sustainability goals while reinforcing our commitment to responsible production.



Other Material Sustainability Matters

☼ People First



Employee Welfare

(Occupational Safety & Health, Employee Development & Talent Management)



Why is This Important ?

As a leading player in the automotive upholstery industry, we recognise the importance of our workforce to achieving and maintaining sustainable operational excellence. Ensuring a safe, inclusive, and high-performance workplace environment is critical to safeguarding our talent, maintaining high manufacturing quality standards, and driving long-term business resilience.

OUR APPROACH

We continuously invest in skills and professional development to empower our employees to reach their full potential, while upholding best practices in OHS to safeguard their well-being and support our operational goals.

Building A Continuous Learning Culture

We are committed to fostering a culture of continuous learning and development by investing in the skills, knowledge, and capabilities of our employees, enabling them to realise their potential while strengthening our operational excellence, product quality, and long-term competitiveness.

As part of our commitment to maintaining high standards of quality, employees from relevant departments are required to undergo specialised training in key quality management standards and methodologies, including ISO 9001:2015, IATF 16949:2016, Advanced Product Quality Planning (“APQP”) and Production Part Approval Process (“PPAP”). These programmes help reinforce quality awareness, strengthen technical competencies, and support the consistent application of established quality practices across our operations.

Furthermore, in recognising the rapidly evolving requirements of the automotive and aviation industries, we encourage

our employees to participate in relevant external training and professional development programmes. Through continuous upskilling and knowledge enhancement, we aim to build a competent, adaptable, and future-ready workforce capable of responding effectively to emerging industry trends, technological developments, and changing stakeholder expectations, supporting sustainable business growth and long-term value creation.

Occupational Safety and Health

We are committed to providing a safe, healthy, and conducive working environment for all employees, recognising that safeguarding their health, safety, and well-being is fundamental to maintaining operational resilience, employee productivity, and the long-term sustainability of our business.

To support this commitment, we maintain local Health and Safety Committees comprising employee and management representatives, giving both groups an equal voice in occupational safety and health matters. These committees provide a platform for consultation and collaboration, while leading the planning, coordination, and oversight of Environmental, Health and Safety (“EHS”) programmes. They also actively monitor workplace conditions to promote a safe and healthy working environment.

Other Material Sustainability Matters

To further strengthen our safety practices, we have established a comprehensive OHS framework supported by our OHS Policy. Through this framework, we adopt a proactive approach to identifying occupational hazards, assessing potential risks, and implementing appropriate preventive and mitigation measures. These efforts are aimed at preventing workplace injuries and occupational illnesses, ensuring our employees are able to carry out their responsibilities with peace of mind.

With regard to emergency preparedness, we have established emergency response procedures supported by certified first aiders and trained firefighters. These procedures enable appropriate and timely responses to workplace emergencies while helping to minimise potential impacts on our employees and operations.

Our ISO 45001:2018 certification reinforces our systematic approach to OHS management and supports our commitment to continuous improvement.

Through the implementation of our OHS management system, we seek to:

- Prevent work-related injuries and occupational illnesses by proactively identifying and mitigating workplace hazards and risks;
- Promote employee participation and engagement in building a strong culture of health, safety, and shared responsibility;
- Provide safe and healthy workplaces for our employees and other relevant stakeholders;
- Continuously improve our occupational health and safety performance and the effectiveness of our OHS management system; and
- Demonstrate responsible business practices through compliance with applicable occupational health and safety laws, regulations, and other relevant requirements.

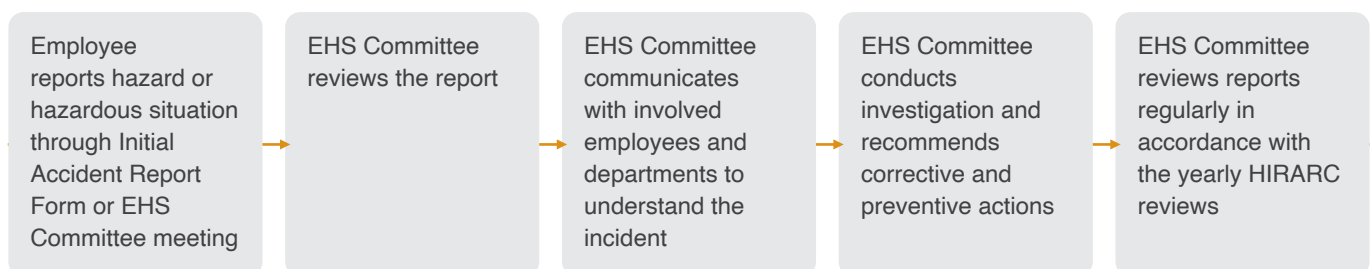
Moving forward, we will continue to strengthen our safety culture, enhance employee awareness, and reinforce

preventive measures across our operations. By embedding occupational health and safety considerations into our day-to-day activities, we strive to create a resilient workplace where our people can perform safely and contribute meaningfully to our sustainable growth.

Hazard Identification, Risk Assessment, and Risk Control ("HIRARC")

At our factory in Malaysia, we identify and assess work-related hazards and risks in accordance with the Guidelines for HIRARC 2008, as outlined by the Department of Occupational Safety and Health ("DOSH") Malaysia. HIRARC reviews are conducted annually by trained personnel, led by a Safety and Health Officer, and any reported risks or hazards are addressed promptly through corrective responses and flagged as part of the OHS management system improvement programme.

HAZARD AND INCIDENT REPORTING PROCESS



Additionally, we conduct monthly self-assessments of our risk management practices, as required by our customers. These assessments cover the safety aspects of our operations, including workplace conditions, safety systems, and hazardous material handling, as well as environmental impacts, cost, quality, and delivery.

OUR PERFORMANCE

Capacity Building and Development

In FY2026, our employees collectively completed 7,943 hours of training and development, covering the following topics, among others:

1. Essential Business and Financial Acumen
2. IATF 16949:2016 Lead Auditor
3. IATF 16949:2016 Awareness
4. IATF 16949:2016 Internal Audit
5. Automotive Core Tools

Other Material Sustainability Matters

Total Training Hours	FY2024	FY2025	FY2026
	6,162	7,282	7,943

Total Training Hours by Gender	FY2024	FY2025	FY2026
Female	2,380	1,733	1,929
Male	3,782	5,549	6,014

Average Training Hours by Gender	FY2024	FY2025	FY2026
Female	18.0	13.1	13.9
Male	4.7	7.6	9.2

Total Training Hours by Employee Category	FY2024	FY2025	FY2026
Senior Management	139	126	64
Middle Management	1,542	1,409	1,387
Executive	3,548	1,947	2,717
Non-Executive	933	3,800	3,775

Average Training Hours by Employee Category	FY2024	FY2025	FY2026
Senior Management	7.0	6.3	3.6
Middle Management	44.1	36.1	33.0
Executive	43.3	20.3	25.2
Non-Executive	1.2	5.4	6.0

Beyond work-related training, we support employees' personal development and wellbeing through recreational and team-building activities organised by our Sports and Social Club. Activities held during the year included volleyball, badminton, and bowling tournaments, alongside other social activities designed to enhance employee morale and engagement.

Health and Safety Performance

To ensure competency in occupational health and safety, we conducted the following trainings throughout FY2026:

- Chemical Handling and Spillage Response
- Noise Exposure and Hearing Conservation
- Emergency Response Team & Procedure
- Hazard Identification Risk Assessment and Risk Control

Beyond occupational safety, we recognise the importance of supporting our employees' overall health and well-being. To this end, we provide eligible employees with healthcare benefits, including outpatient medical and dental treatment, as well as hospitalisation insurance coverage, to facilitate access to healthcare services when needed. We also remain committed to fulfilling applicable statutory social security and healthcare contribution requirements across the jurisdictions in which we operate.

By complementing our occupational health and safety practices with healthcare benefits and social protection measures, we aim to foster a healthy, engaged, and resilient workforce, supporting our goal of achieving zero workplace fatalities and minimising lost time due to workplace injuries.

	FY2024	FY2025	FY2026
Number of employees trained on health and safety standards	470	322	299
Number of fatalities as a result of work-related injuries	0	0	0
Number of high-consequence work-related injuries	0	0	0
Number of recordable (minor) work-related injuries	4	0	4
Number of Lost Time Injuries ("LTI")	4	0	1
Total lost days	58	0	49
Number of close calls	0	0	0
Rate of fatalities as a result of work-related injuries	0	0	0
Rate of high-consequences work-related injuries	0	0	0
Rate of recordable (minor) work-related injuries/incident rate	1.8	0	2.4
LTI rate	1.8	0	0.6

Other Material Sustainability Matters

Labour Practices and Human Rights



Why is This Important ?

Our people are integral to the long-term success of our business. We recognise that maintaining fair, inclusive, and responsible labour practices strengthens our ability to attract, develop, and retain talent, supporting workforce quality and stability over the long term.

Equally important, fostering a working environment where employees feel respected and valued encourages diverse perspectives, innovation, and continuous improvement, helping us build the organisational capabilities required for sustainable business growth.

OUR APPROACH

Promoting Fair and Responsible Employment Practices

We are committed to fostering a fair, respectful, inclusive, and supportive workplace while upholding sound governance practices and applicable employment standards.

Our approach is guided by our internal governance framework and relevant policies, including, among others, the Board Charter, Code of Ethics for Directors, Diversity Policy, Employee Handbook, and our grievance mechanisms. These policies and procedures provide the foundation for promoting ethical conduct, fair employment practices, and appropriate workplace behaviour across the Group.

Through these measures, we seek to safeguard the interests and well-being of our employees, promote accountability, and ensure that our employment practices remain aligned with our values and operational needs, as well as applicable laws and regulations in the regions in which we operate.

Upholding Employee and Human Rights

At Pecca, respect for human rights is an important principle underpinning our approach to responsible employment. We are committed to treating our employees with dignity, fairness, and respect, while providing a safe, inclusive, and conducive working environment where they have the opportunity to develop and contribute to our long-term success.

Our approach to employee and human rights encompasses the following key areas:

➤ Prohibition of Child Labour and Forced Labour

We do not tolerate child labour, forced labour, or other forms of involuntary labour within our operations, with this commitment reinforced through our Employee Handbook. We encourage our suppliers and business partners to uphold similar labour and human rights standards, where applicable, extending our commitment to responsible labour practices across our value chain.

➤ Freedom of Association and Collective Bargaining

We respect employees' rights to freedom of association and collective bargaining in accordance with applicable laws and regulations.

Where employees are represented by legally recognised trade unions or workers' representatives, we are committed to engaging constructively and in good faith. We recognise the importance of open dialogue in establishing fair terms and conditions of employment, addressing workplace matters, and promoting employee well-being in a respectful and cooperative working environment.

➤ Fair and Adequate Compensation and Benefits

Fair and appropriate remuneration is an important component of attracting, motivating, and retaining employees.

Through our Human Resources Department, we administer employee remuneration and benefits in accordance with applicable statutory requirements and internal policies. Our remuneration practices aim to provide employees with fair and competitive compensation, taking into consideration factors such as job responsibilities, qualifications, experience, performance, and prevailing employment requirements.

We also recognise and reward employees' contributions and achievements through bonus remuneration and performance management practices, with the aim of rewarding high performers across the organisation.

Other Material Sustainability Matters

➤ Non-Discrimination and Equal Opportunities

We are committed to fostering a workplace that promotes fair treatment, mutual respect, and equal opportunities for all.

Employment-related decisions, including recruitment, development, advancement, and remuneration, are guided by merit-based considerations such as qualifications, competency, experience, and performance. At the same time, we do not tolerate discrimination in employment practices on grounds prohibited under applicable laws and regulations.

Through these practices, we aim to create an environment where employees feel respected and valued, with opportunities to develop their capabilities and contribute meaningfully to our business.

➤ Diversity and Inclusion

A diverse and inclusive workforce contributes a range of different perspectives, experiences, and capabilities to our organisation, thereby strengthening collaboration, innovation, and organisational resilience.

Our Diversity Policy guides us in cultivating a workplace where employees are valued, respected, and provided with opportunities to contribute. Further to this, diversity and inclusion considerations are incorporated, where relevant, into our recruitment, talent development, training, and leadership development practices.

➤ Grievance Mechanism

We recognise the importance of providing employees with appropriate channels to raise workplace concerns and grievances.

To this end, we have established grievance procedures, which are communicated to employees through our Employee Handbook. These procedures provide a structured channel for employees to report appropriate issues relating to workplace matters for review and follow-up.

We seek to ensure that grievances are handled appropriately, fairly, and in a timely manner, in accordance with established internal procedures. By maintaining accessible grievance channels, we aim to encourage open communication, strengthen employee confidence, and support a respectful and accountable workplace culture.



Moving forward, we will continue to strengthen our labour and human rights practices by enhancing employee engagement, reviewing relevant policies and practices, and promoting greater awareness of responsible employment principles across the organisation. These efforts will help us cultivate a resilient and inclusive workforce that supports our long-term business sustainability by creating a positive working environment for our people.

Caring for Our Employee

In seeking to continually strengthen our position in the automotive leather upholstery industry, it is vital that we are able to attract, engage, and retain a capable and committed workforce across the Group.

Fostering a supportive and rewarding workplace that promotes employee well-being, work-life balance, and a sense of belonging is critical in this respect. This goes beyond statutory employment benefits and involves providing a range of benefits and workplace support initiatives that address the diverse needs of our employees and enhance their overall experience.

Other Material Sustainability Matters

Recognising and Rewarding Our Employees

We believe that recognising employees for their skills, contributions, commitment, and achievements can help strengthen employee engagement and encourage a culture of continuous improvement.

Accordingly, we have various incentives, allowances, and recognition programmes to support employees across different functions and operational requirements. These include:

- Skills allowance
- Night shift allowance
- Competency allowance
- Line leader allowance
- Best Attendance Award
- Best Production Line of the Month
- Hostel Cleanliness Competition Award
- Subsidised laundry services
- Team-building programmes

These initiatives are designed not only to recognise individual and team contributions but also encourage skills development,

teamwork, workplace discipline, and operational excellence, helping to cultivate a motivated workforce where employees feel valued.

OUR PERFORMANCE

Safeguarding Human Rights & Labour Standards

In FY2026, we recorded no incidents of human rights or labour standards violations across our operations, reflecting our continued commitment to fair treatment, compliance with labour regulations, and respect for human rights. We continue to maintain oversight of our practices to support a responsible and ethical working environment.

As part of our commitment to employee well-being, our Malaysian facility has achieved certification under the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (Act 446) for employee accommodation. We are also undertaking improvements to our workplace facilities, including upgrades to canteens, offices, and production areas, to provide a more conducive working environment for our employees.

	FY2024	FY2025	FY2026
Number of complaints received concerning human rights violations	0	0	0
Number of discrimination incidents	0	0	0
Number of child labour incidents	0	0	0
Number of forced or compulsory labour incidents	0	0	0

Maintaining a Strong Talent Pool

In recognising that a capable and adequately resourced workforce is essential to business continuity and sustainable growth, we continuously monitor our staffing requirements and evaluate factors that may influence talent attraction and employee retention. Through proactive human resource planning and recruitment efforts, we aim to maintain the capacity and capabilities needed to support our operational requirements and evolving business needs.

As part of our commitment to supporting local employment and developing homegrown talent, 100% of our Senior Management in FY2026 was hired from the local community. This reflects our continued emphasis on creating meaningful employment opportunities in the vicinity of our business and nurturing the leadership capabilities of the people we hire.

	FY2024	FY2025	FY2026
Number of employees	932	859	792

Workplace Diversity

Workplace diversity is essential to fostering an inclusive and productive organisation. Hence, we continually strive to understand and address the needs of our people regardless of their backgrounds while upholding our commitment to non-discrimination, fair treatment, and equal opportunities for all.

Other Material Sustainability Matters

Board Diversity

Gender	FY2024		FY2025		FY2026	
Female	2	28.6%	2	25.0%	2	25.0%
Male	5	71.4%	6	75.0%	6	75.0%
Total	7	100.0%	8	100.0%	8	100.0%

Age	FY2024		FY2025		FY2026	
<30	1	14.3%	0	0	0	0
30-50	1	14.3%	2	25.0%	2	25.0%
>50	5	71.4%	6	75.0%	6	75.0%
Total	7	100.0%	8	100.0%	8	100.0%

Workforce by Employee Category & Gender

	FY2024			FY2025			FY2026		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Senior Management	6	14	20	4	16	20	5	13	18
Middle Management	7	28	35	9	30	39	11	31	42
Executives	49	33	82	53	43	96	55	53	108
Non-Executives	70	725	795	66	638	704	68	556	624
Total	132	800	932	132	727	859	139	653	792
Percentage (%)	14.2	85.8	100.0	15.4	84.6	100.0	17.6	82.4	100.0



Other Material Sustainability Matters

Workforce by Employee Category & Age Group

	FY2024				
	<30	31-50	>50	Total	Percentage
Senior Management	2	12	6	20	2.1%
Middle Management	1	28	6	35	3.8%
Executive	28	47	7	82	8.8%
Non-Executive	460	326	9	795	85.3%
Total	491	413	28	932	100.0%
Percentage (%)	52.7%	44.3%	3.0%	100.0%	

	FY2025				
	<30	31-50	>50	Total	Percentage
Senior Management	0	16	4	20	2.3%
Middle Management	1	35	3	39	4.5%
Executive	35	53	8	96	11.2%
Non-Executive	346	352	6	704	82.0%
Total	382	456	21	859	100.0%
Percentage (%)	44.5%	53.1%	2.4%	100.0%	

	FY2026				
	<30	31-50	>50	Total	Percentage
Senior Management	0	11	7	18	2.3%
Middle Management	4	36	2	42	5.3%
Executive	42	58	8	108	13.6%
Non-Executive	341	279	4	624	78.8%
Total	387	384	21	792	100.0%
Percentage (%)	48.9%	48.5%	2.6%	100.0%	

Workforce by Employment Type

	FY2024	FY2025	FY2026
Permanent	95.2%	94.2%	92.9%
Contract/Temporary	4.8%	5.8%	7.1%

Other Material Sustainability Matters

Total New Hires

	FY2024	FY2025	FY2026
Total	130	98	133
Rate	13.7%	10.9%	16.1%

Note: Total new hire rate = Total new hires/Average of employee headcount at the beginning and at the end of the financial year x 100%

Employee Category	FY2025		FY2026	
Senior Management	3	3.0%	1	0.8%
Middle Management	13	13.3%	12	9.0%
Executive	25	25.5%	40	30.0%
Non-Executive	57	58.2%	80	60.2%
Total	98	100.0%	133	100.0%

Gender	FY2024		FY2025		FY2026	
Female	35	26.9%	29	29.6%	40	30.1%
Male	95	73.1%	69	70.4%	93	69.9%
Total	130	100.0%	98	100.0%	133	100.0%

Age	FY2024		FY2025		FY2026	
<30	64	49.2%	34	34.7%	89	66.9%
30-50	62	47.7%	64	65.3%	42	31.6%
>50	4	3.1%	0	0.0%	2	1.5%
Total	130	100.0%	98	100.0%	133	100.0%

Nationality	FY2024		FY2025		FY2026	
Malaysian	109	83.8%	88	89.9%	133	100.0%
Foreign	21	16.2%	10	10.2%	0	0.0%
Total	130	100.0%	98	100.0%	133	100.0%

Total Employee Turnover

	FY2024	FY2025	FY2026
Total	95	208	197
Rate	10.0%	23.2%	23.9%

Note: Total employee turnover rate = Total employee turnover/Average of employee headcount at the beginning and at the end of the financial year x 100%

Employee Category	FY2025		FY2026	
Senior Management	9	4.3%	5	2.5%
Middle Management	15	7.2%	12	6.1%
Executive	25	12.0%	34	17.3%
Non-Executive	159	76.5%	146	74.1%
Total	208	100.0%	197	100.0%

Other Material Sustainability Matters

Total Employee Turnover (Cont'd.)

Gender	FY2024		FY2025		FY2026	
Female	40	42.1%	160	76.9%	33	16.8%
Male	55	57.9%	48	23.1%	164	83.2%
Total	95	100.0%	208	100.0%	197	100.0%

Age	FY2024		FY2025		FY2026	
<30	46	48.4%	124	59.6%	100	50.8%
30-50	47	49.5%	80	38.5%	91	46.2%
>50	2	2.1%	4	1.9%	6	3.0%
Total	95	100.0%	208	100.0%	197	100.0%

Nationality	FY2024		FY2025		FY2026	
Malaysian	68	71.6%	188	90.4%	123	62.4
Foreign	27	28.4%	20	9.6%	74	37.6
Total	95	100.0%	208	100.0%	197	100.0%

Parental Leave Utilisation

Recognising the importance of childcare and work-life balance, we offer parental leaves to eligible new parents in line with contractual terms and applicable regional legal requirements.

Parental Leave Utilisation			FY2024		FY2025		FY2026	
Number of employees entitled to parental leave	Female	49	194	40	159	43	158	
	Male	145		119		115		
Number of employees who took parental leave	Female	11	28	4	9	9	48	
	Male	17		5		39		
Number of employees that returned to work after parental leave ended	Female	11	28	4	9	9	48	
	Male	17		5		39		
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Female	5	9	3	8	8	47	
	Male	4		5		39		
Return to work rate of employees that took parental leave	Female	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	Male	100.0%		100.0%		100.0%		
Retention rate of employees that took parental leave*	Female	45.5%	32.1%	75.0%	88.9%	88.9%	97.9%	
	Male	23.5%		100.0%		100.0%		

Note : *FY2024 retention rates have been updated to align with the Group's current calculation methodology

Other Material Sustainability Matters

Product Quality and Safety



Why is This Important ?

Quality is fundamental to our commitment to delivering sustainable value to our customers and stakeholders. We strive to consistently provide products and services that meet customer requirements, applicable quality standards, and evolving market expectations.

By strengthening our quality management practices, we seek to enhance customer satisfaction, build long-term customer relationships, and safeguard our brand reputation. Furthermore, our focus on quality supports operational efficiency by reducing defects, rework, product returns, and unnecessary resource consumption.

OUR APPROACH

Sales Processing and Planning

In upholding our commitment to providing quality products and services, we have established a structured Sales Processing and Planning Framework that guides our teams throughout the customer order lifecycle, from initial enquiry and feasibility assessment through to order fulfilment and post-delivery feedback.

The framework promotes a systematic, consistent, and efficient approach to processing orders while ensuring that customer specifications and requirements are clearly understood, evaluated, and communicated across relevant functions. This, in turn, enables us to minimise potential errors and discrepancies, strengthen coordination between our sales, production and other supporting functions, and, ultimately, meet evolving customer expectations in a way that drives satisfaction and long-term loyalty.

Sales Processing and Planning Framework – Key Components

Customer Enquiries and Order Handling	➤ Customer enquiries ➤ Feasibility study and quotation preparation ➤ Letter of intent/purchase agreement ➤ Customer PO ➤ Customer provided items
Amendment of Order	➤ Letter of amendment or new PO
Customer Feedback/ Satisfaction	➤ Customer feedback ➤ Direct communication ➤ Second-party audit ➤ Customer complaint ➤ CSS
Records	➤ All related records shall be maintained and controlled in accordance with Control of Records
Customer Property	➤ Initial inspection activities ➤ Secure storage conditions ➤ Adequate identification
Risk and Opportunity Assessment	➤ Change in processes, raw material usage, equipment/ machines, and products/services ➤ Change in legislation, policy, or organisational structure ➤ New control measures to be taken after a complaint

Beyond order fulfilment, the framework incorporates customer feedback, proper record management, protection of customer property, and risk and opportunity assessments. These processes support continuous improvement by allowing us to identify emerging risks, address customer concerns, and incorporate lessons learned into our operational and quality management practices.

Listening to Our Customers

Customer feedback is an important component of our continuous improvement process. In addition to ongoing engagement and direct communication with our customers, we conduct a CSS at the end of each year to assess perceptions of our performance and identify areas for further improvement.

Other Material Sustainability Matters

The CSS evaluates three key areas, aligning with our commitment to quality, service excellence, and customer-centricity:

➤ Product

The quality and pricing of our products, as well as our ability to consistently meet customer specifications and requirements.

➤ Services

Our delivery performance, responsiveness to customer enquiries and concerns, and effectiveness of sales support throughout the customer relationship.

➤ People

Our employees' technical knowledge and expertise, together with their approachability, professionalism, responsiveness, and helpfulness when engaging with customers.

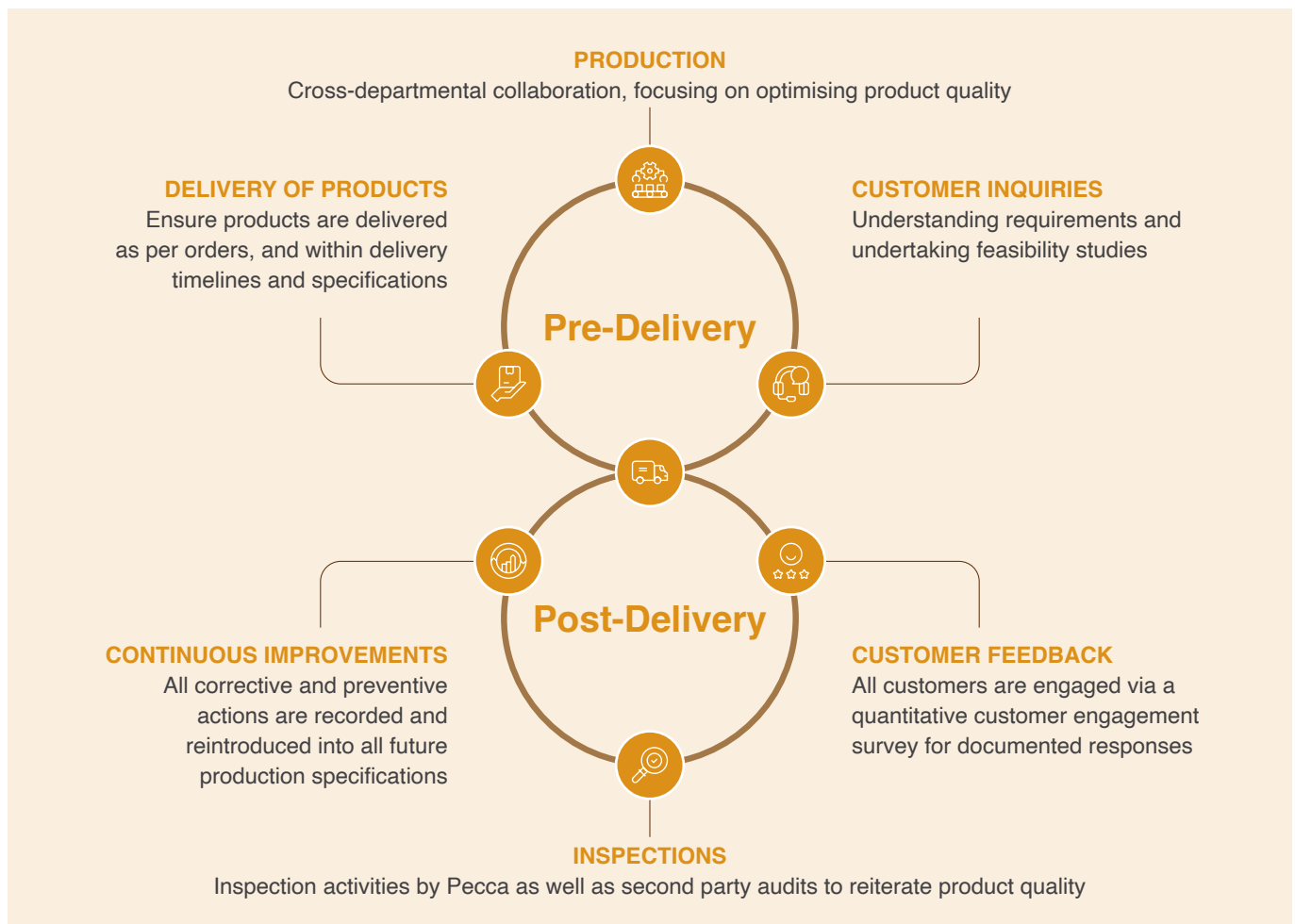
Relevant feedback and identified improvement opportunities are communicated to the appropriate functions for review and follow-up actions where necessary. This feedback loop enables us to continually refine our products, services, and customer engagement practices while supporting the development of strong and enduring customer relationships.

Quality Assurance

In addition to our Sales Processing and Planning Framework, our well-established production management system adheres to the following globally recognised standards:

- IATF 16949:2016 Automotive Quality Management System
- ISO 9001:2015 Quality Management System
- ISO 14001:2015 Environmental Management System
- ISO 45001:2018 Occupational Health & Safety Management System

Furthermore, we carry out meticulous quality checks at every stage of production, covering attributes such as flexing endurance, tensile strength, rub fastness, abrasion, and colour. This enables us to accurately identify and quickly rectify non-conformities to customer standards and requirements, minimising the risk of products of inadequate quality reaching the market.



Other Material Sustainability Matters

OUR PERFORMANCE

Customer Satisfaction Level

Category	Key Assessment Areas	FY2024	FY2025	FY2026
Our Product	Quality, cost, meeting requirements	89%	88%	92%
Our Service	Delivery schedule, responsiveness, sales support	94%	93%	95%
Our People	Technical support, staff friendliness, helpfulness	92%	93%	93%
Overall Customer Satisfaction Level		84%	87%	94%
Overall Grand Total Score		90%	91%	94%

In line with our commitment to continuous enhancement of customer satisfaction levels, we have outlined the following areas of improvement across product quality, product transparency, and customer data security, where we achieved the following results in FY2026:

Performance Indicator	Result
Products and services evaluated for potential health and safety impacts, with improvements identified and actioned where applicable	100%
Products and services assessed for compliance with information and labelling procedures	100%
Incidents of non-compliance with regulations or voluntary codes regarding product and service information and labelling	Zero
Cases of non-compliance involving marketing communications	Zero
Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero
Identified cases of data leaks, thefts, or losses involving customer information	Zero

Other Material Sustainability Matters

Community Engagement and Social Impact



Why is This Important ?

Building strong and meaningful relationships with local communities is fundamental to our sustainability agenda and reputation as an organisation.

By understanding the needs and priorities of the communities in which we operate and supporting targeted social initiatives that address them, we can create positive and lasting value for society through inclusive community development, improved social well-being, and economic resilience. At the same time, these initiatives strengthen our relationships with key stakeholders, fostering mutual trust and building stronger connections that ultimately support our long-term objectives.

OUR APPROACH

Our community engagement efforts encompass employee volunteering, charitable contributions, community programmes, and other corporate social responsibility (“CSR”) initiatives, in addition to the provision of employment opportunities. Collectively, these initiatives aim to create meaningful social value, support community well-being and contribute to social development at the local level.

To enhance the effectiveness and coordination of our community initiatives, we have established a dedicated team comprising employees who are responsible for guiding, coordinating, and overseeing their implementation. This approach enables us to better align our initiatives with community needs, encourage employee participation, and strengthen accountability in the implementation of our community programmes.

Moving forward, we remain committed to deepening our engagement with local communities and progressively enhancing our initiatives, with greater emphasis on meaningful participation and positive social outcomes. Through sustained collaboration, we aim to create lasting value for both society and our business.

OUR PERFORMANCE

Supporting Local Education

One of our longest-running community initiatives revolves around offering internship programmes to undergraduates from nearby colleges and universities. These programmes are designed to foster practical learning and training opportunities, equipping young people with the skills and knowledge necessary to emerge as future leaders in society.

Community Outreach

Throughout FY2026, we carried out CSR initiatives aimed at uplifting local communities, contributing approximately RM60,000 and reaching over 1,000 beneficiaries.

Our CSR engagements in FY2026 included multiple sponsorships for schools and community events, as well as donations to local cultural and religious associations.

	FY2024	FY2025	FY2026
Total amount invested where the target beneficiaries are external to Pecca (RM)	230,737	409,728	57,927
Total number of beneficiaries of the investment in communities	2,268	2,545	1,114

Other Material Sustainability Matters

Corporate Governance



Ethical Governance and Anti-Corruption



Why is This Important ?

We are committed to embedding integrity, accountability, and responsible business conduct throughout the organisation as a fundamental pillar of building a resilient and sustainable business. By maintaining robust governance structures and promoting ethical conduct at all levels, we strengthen risk management, safeguard stakeholder interests, and support effective and transparent decision-making, thereby driving trust and protecting our reputation over the long term.

OUR APPROACH

The Board provides strategic leadership and oversight to ensure that the Group is managed in an effective, responsible, and ethical manner. Its responsibilities include setting our Group values and standards, overseeing our strategic direction, and ensuring that appropriate leadership, governance structures, internal controls, and risk management practices are in place. The Board also seeks to ensure that our responsibilities and commitments to our shareholders and other stakeholders are appropriately understood and addressed.

Governance Policies

We have established a comprehensive set of policies and guidelines to promote integrity, accountability, transparency, and responsible business conduct across the Group. These include our Code of Ethics for Directors, ABAC Policy, Diversity Policy, Whistleblowing Policy, and other relevant governance policies and procedures.

Recognising that effective governance extends beyond establishing policies, we undertake ongoing communication with our key stakeholders on our expectations regarding ethical standards and responsible business practices, including those set out in our governance policies. Through appropriate engagement and communication channels, we seek to

promote a consistent understanding of these expectations and uphold high standards of conduct across the Group.

To ensure that our governance framework remains relevant and effective, we periodically review and update our governance policies and procedures, taking into consideration changes in applicable regulatory requirements, business activities, and governance practices. Key corporate governance policies are made publicly accessible through our corporate website at <https://peccagroup.com/group/corporate-governance/>.

Regulatory Compliance

Compliance with applicable laws and regulatory requirements is fundamental to the way we conduct our business. We are committed to maintaining appropriate policies, procedures, and internal controls to support ongoing compliance across our operations.

Additionally, we continuously monitor relevant regulatory developments and review our internal practices where appropriate, ensuring our governance framework remains up to date with evolving regulatory requirements. Through effective oversight and clear accountability, we seek to mitigate compliance risks, uphold responsible business conduct, and maintain stakeholder confidence.

Other Material Sustainability Matters

Anti-Bribery and Anti-Corruption

We adopt a zero-tolerance approach towards bribery and corruption and are dedicated to conducting our business with integrity, transparency, and accountability at all times. Our ABAC Policy establishes clear principles and expectations governing ethical business conduct, providing guidance to employees and relevant stakeholders in identifying, preventing, and addressing bribery and corruption risks.

The ABAC Policy complements our broader governance framework, including the Code of Ethics for Directors and other relevant policies and procedures, while reinforcing our commitment to maintaining high standards of integrity in our business dealings. Where appropriate, awareness and communication initiatives are undertaken to promote understanding of our expectations in relation to ethical conduct and compliance.

Whistleblowing Policy

Maintaining an effective mechanism for reporting concerns is a vital element of good corporate governance. Alongside our ABAC Policy, our Whistleblowing Policy provides an avenue for employees and relevant stakeholders to raise concerns regarding suspected misconduct, unethical behaviour, or potential breaches of applicable laws, regulations, and Group policies.

All reports are handled appropriately and confidentially, in accordance with established procedures. Furthermore, the whistleblowing mechanism allows legitimate concerns to be raised directly with the Chairman of the ARMC, reinforcing transparency and trust.

OUR PERFORMANCE

In FY2026, our commitment to upholding high standards of corporate governance, integrity, and ethical conduct led to the following outcomes:

100%

of our operations assessed for risks related to corruption

Zero

legal actions for anti-competitive behaviour, anti-trust violations, or monopoly practices

Zero

confirmed incidents of corruption

Zero

confirmed whistleblowing cases



Other Material Sustainability Matters

Data Privacy & Cybersecurity



Why is This Important ?

As our operations become increasingly digitalised, safeguarding information assets and ensuring the responsible management of data have become integral to our business continuity and long-term competitiveness. During our operations, we are entrusted with personal, confidential and commercially sensitive information belonging to our customers, suppliers and employees. Any cybersecurity incident or data breach could disrupt operations and result in financial losses and regulatory consequences. It could also erode the trust our stakeholders place in us. Our exposure to these risks is increasing as we expand into highly regulated sectors such as aviation and rail. Robust data privacy and cybersecurity practices are therefore essential to keeping our operations resilient, protecting stakeholder interests and reinforcing our position as a trusted partner to leading automotive and aerospace industry players.

OUR APPROACH

IT Governance and Framework

The Board is ultimately accountable for overseeing the Group's risks, including those relating to data privacy and cybersecurity, and is supported by the ARMC. As part of the Group's broader risk management process, the Board monitors evolving cybersecurity threats and ensures that appropriate mitigation measures are in place. Significant emerging risks are reported to the ARMC and escalated to the Board where appropriate.

Our Management Information System/Information Technology (MIS/IT) Department manages data privacy and cybersecurity day to day through the Group's IT Governance Framework. The framework sets out the policies, procedures and controls that protect our information systems and data. The Group recognises the importance of information security and cybersecurity in maintaining sustainable business operations. The MIS/IT Department is responsible for overseeing the identification, assessment and management of technology-related risks, supported by ongoing monitoring and reporting mechanisms. These efforts help strengthen the security, reliability and resilience of the Group's digital infrastructure while protecting the interests of stakeholders and supporting long-term value creation.

Policies and Procedures

We comply with the Personal Data Protection Act 2010 (PDPA) of Malaysia and other applicable data protection laws in the jurisdictions where we operate. Our Personal Data Protection Notice explains how we collect, use, disclose and protect personal data, and it guides how we respond to stakeholder concerns about data privacy. We review and update these policies and procedures periodically so they keep pace with regulatory developments and changes in our business environment.

Safeguarding Information Systems and Data

Digital resilience and information security are fundamental to the Group's long-term sustainability and operational excellence. Our enterprise systems, including the SAP ERP platform, underpin critical business processes across the value chain, enabling efficient management of procurement, production, inventory and financial operations.

To protect our information assets and ensure uninterrupted business operations, the Group implements a comprehensive range of preventive and detective controls, including role-based access controls, firewall and endpoint protection, regular vulnerability remediation, data backup and recovery mechanisms, and system maintenance protocols. These measures help mitigate cybersecurity risks, strengthen system resilience and safeguard sensitive business information.

The Group also promotes responsible information management through established policies and procedures governing data handling and access. Where appropriate, non-disclosure agreements are entered into with customers, suppliers and business partners to safeguard confidential and commercially sensitive information.

Other Material Sustainability Matters

Building Cybersecurity Awareness

The Group recognises that effective cybersecurity management extends beyond technology and requires active participation from all employees. We therefore promote a culture of cybersecurity awareness and accountability by encouraging employees to understand their responsibilities in protecting information assets, handling data responsibly and reporting potential cybersecurity incidents in a timely manner.

Through ongoing awareness programmes and internal communications, employees are equipped with the knowledge necessary to identify evolving cyber threats and adopt secure work practices. By strengthening cybersecurity awareness across the workforce, the Group seeks to reduce human-related risks, enhance organisational resilience and support the integrity, availability and confidentiality of its information assets.

Moving forward, we will continue to strengthen our cybersecurity framework, elevate employee awareness and enhance our data protection practices to ensure that our information security capabilities evolve alongside the growing digitalisation of our business operations. This enables the Group to better manage emerging risks, maintain stakeholder trust and support long-term value creation.

OUR PERFORMANCE

In FY2026, our efforts to safeguard personal and confidential information led to the following outcomes:

Performance Indicator	Result
Substantiated complaints concerning breaches of customer privacy and losses of customer data	0
Identified cases of data leaks, thefts, or losses involving customer information	0





SUSTAINABILITY STATEMENT 2026

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	2-2	Entities included in the organisation's sustainability reporting	Reporting Practice, pages 53-54
	2-3	Reporting period, frequency and contact point	Reporting Practice, pages 53-54
	2-4	Restatement of information	Reporting Practice, pages 53-54
	2-5	External assurance	Reporting Practice, pages 53-54
	Activities and Workers		
	2-6	Activities, value chain and other business relationships	Corporate Structure, page 21
	2-7	Employees	Labour Practices, pages 88-94
	2-8	Workers who are not employees	Labour Practices, pages 88-94
	Governance		
	2-9	Governance structure and composition	Corporate Information, page 20 Labour Practices, page 88 Sustainability Governance, pages 57-59
	2-10	Nomination and selection of the highest governance body	Corporate Governance Overview Statement, page 118
	2-11	Chair of the highest governance body	Directors' Profile, pages 28-31
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance, pages 57-59 Corporate Governance Overview Statement, page 118
	2-13	Delegation of responsibility for managing impacts	Sustainability Governance, pages 57-59
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance, pages 57-59
	2-15	Conflicts of interest	Directors' Profile, pages 28-31 Corporate Governance Overview Statement, page 120
	2-16	Communication of critical concerns	Ethical Governance, page 99 Audit and Risk Management Committee Report, page 135 Statement on Risk Management and Internal Control, page 140
	2-17	Collective knowledge of the highest governance body	Corporate Governance Overview Statement, page 118
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement, page 118

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GRI STANDARDS	DISCLOSURE		REFERENCE
GRI 2: General Disclosures 2021 (Cont'd)	Governance (Cont'd)		
	2-19	Remuneration policies	Sustainability Governance, page 69 Corporate Governance Overview Statement, page 118
	2-20	Process to determine remuneration	Corporate Governance Overview Statement, page 118
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	3-2	List of material topics	Materiality Assessment, pages 62-65 Material Matters, pages 62-65
	3-3	Management of material topics	Materiality Assessment, pages 62-65 Material Matters, pages 62-65
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	201-2	Financial implications and other risks and opportunities due to climate change	Climate Change, pages 69-75
	201-3	Defined benefit plan obligations and other retirement plans	Financial Statements, page 152
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	207-3	Stakeholder engagement and management of concerns related to tax	Economic Performance, page 77
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	305-2	Energy indirect (Scope 2) GHG emissions	Climate Change, pages 69-74
	305-3	Other indirect (Scope 3) GHG emissions	Climate Change, pages 69-74
	305-4	GHG emissions intensity	Climate Change, pages 69-74
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GRI 301: Materials 2016	301-1	Materials used by weight or volume	Waste and Chemicals Management, pages 81-84
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste and Chemicals Management, pages 81-84
	306-2	Management of significant waste-related impacts	Waste and Chemicals Management, pages 81-84
	306-3	Waste generated	Waste and Chemicals Management, pages 81-84
	306-4	Waste diverted from disposal	Waste and Chemicals Management, pages 81-84
	306-5	Waste diverted to disposal	Waste and Chemicals Management, pages 81-84
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	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Safety and Health, page 86

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GRI STANDARDS	DISCLOSURE		REFERENCE
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	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Safety and Health, pages 86-87
	403-5	Worker training on occupational health and safety	Occupational Safety and Health, pages 86-87
	403-6	Promotion of worker health	Occupational Safety and Health, pages 86-87
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Safety and Health, pages 86-87
	403-8	Workers covered by an occupational health and safety management system	Occupational Safety and Health, pages 86-87
	403-9	Work-related injuries	Occupational Safety and Health, pages 86-87
	403-10	Work-related ill health	Occupational Safety and Health, pages 86-87
Employee Development and Talent Management			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Employee Development and Talent Management, pages 85-87
	404-2	Programs for upgrading employee skills and transition assistance programs	Employee Development and Talent Management, pages 85-87
	404-3	Percentage of employees receiving regular performance and career development reviews	Employee Development and Talent Management, pages 85-87
Labour Practices and Human Rights			
GRI 202: Market Presence 2016	202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	Labour Practices and Human Rights, pages 88-94
	202-2	Proportion of senior management hired from the local community	Labour Practices and Human Rights, pages 88-94
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Labour Practices and Human Rights, pages 88-94
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Labour Practices and Human Rights, pages 88-94
	401-3	Parental leave	Labour Practices and Human Rights, pages 88-94
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Labour Practices and Human Rights, pages 88-94
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance body and employees	Labour Practices and Human Rights, pages 88-94

Additional Information

GRI STANDARDS	DISCLOSURE		REFERENCE
Labour Practices and Human Rights (Cont'd)			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Labour Practices and Human Rights, pages 88-94
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Labour Practices and Human Rights, pages 88-94
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk of incidents of child labor	Labour Practices and Human Rights, pages 88-94
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk of incidents of forced or compulsory labour	Labour Practices and Human Rights, pages 88-94
Product Quality and Safety			
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service category	Product Quality and Safety, pages 95 to 97
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product Quality and Safety, pages 95 to 97
GRI 417: Marketing and Labelling 2017	417-2	Incidents of non-compliance concerning product and service information and labelling	Product Quality and Safety, pages 95 to 97
	417-3	Incidents of non-compliance concerning marketing communications	Product Quality and Safety, pages 95 to 97
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Product Quality and Safety, pages 95 to 97
Community Engagement and Social Impact			
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Community Engagement and Social Impact, page 98
	413-2	Operations with significant actual and potential negative impacts on local communities	Community Engagement and Social Impact, page 98
Ethical Governance and Anti-Corruption			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Ethical Governance and Anti-Corruption, pages 99-100
	205-2	Communication and training about anti corruption policies and procedures	Ethical Governance and Anti-Corruption, pages 99-100
	205-3	Confirmed incidents of corruption and actions taken	Ethical Governance and Anti-Corruption, pages 99-100
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust and anti-monopoly practices	Ethical Governance and Anti-Corruption, pages 99-100

Additional Information

PERFORMANCE DATA TABLE

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PECCA GROUP BERHAD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Economic Performance	Economic value generated	RM	228,700,000.00	225,600,000.00	—	No assurance
Economic Performance	Economic value distributed	RM	247,700,000.00	228,400,000.00	—	No assurance
Supply Chain Management	Bursa C7(a) Proportion of spending on local suppliers	Percentage	54.2	51.4	—	No assurance
Water, Energy & Waste Management	Bursa C4(a) Total energy consumption	Megawatt-Hours	4,150.4	3,766.3	—	No assurance
Water, Energy & Waste Management	Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	362.5	242.3	—	No assurance
Water, Energy & Waste Management	Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	1,775.3	1,838.5	—	No assurance
Water, Energy & Waste Management	Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	376.0	815.6	—	No assurance
Water, Energy & Waste Management	Bursa C9(a) Total volume of water used	Megalitres	578	49.3	—	No assurance
Water, Energy & Waste Management	Bursa C10(a) Total waste generated	Metric tonnes	1,004.2	865.6	—	No assurance
Water, Energy & Waste Management	Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	225.4	260.1	—	No assurance
Water, Energy & Waste Management	Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	778.8	605.5	—	No assurance
Occupational Safety & Health	Bursa C5(a) Number of work-related fatalities	Number	0	0	—	No assurance
Occupational Safety & Health	Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.0	0.6	—	No assurance

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PECCA GROUP BERHAD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Occupational Safety & Health	Bursa C5(c) Number of employees trained on health and safety standards	Number	322	299	—	No assurance
Labour Practices & Human Rights	Bursa C6(a) Total hours of training by employee category: Senior management	Hours	126	64	—	No assurance
Labour Practices & Human Rights	Bursa C6(a) Total hours of training by employee category: Middle management	Hours	1,409	1,387	—	No assurance
Labour Practices & Human Rights	Bursa C6(a) Total hours of training by employee category: Executive	Hours	1,947	2,717	—	No assurance
Labour Practices & Human Rights	Bursa C6(a) Total hours of training by employee category: Non-executive	Hours	3,800	3,775	—	No assurance
Labour Practices & Human Rights	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	5.8	71	—	No assurance
Labour Practices & Human Rights	Bursa C6(c) Total number of employee turnover by employee category: Senior management	Number	9	5	—	No assurance
Labour Practices & Human Rights	Bursa C6(c) Total number of employee turnover by employee category: Middle management	Number	15	12	—	No assurance
Labour Practices & Human Rights	Bursa C6(c) Total number of employee turnover by employee category: Executive	Number	25	34	—	No assurance
Labour Practices & Human Rights	Bursa C6(c) Total number of employee turnover by employee category: Non-executive	Number	159	146	—	No assurance

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PECCA GROUP BERHAD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour Practices & Human Rights	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	—	No assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Age Group by Employee Category - Senior management Under 30	Percentage	0.0	0.0	—	No assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Age Group by Employee Category - Senior management 31-50	Percentage	80.0	61.1	—	No assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Age Group by Employee Category - Senior management Above 50	Percentage	20.0	38.9	—	No assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Age Group by Employee Category - Middle management Under 30	Percentage	2.6	9.5	—	No assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Age Group by Employee Category - Middle management 31-50	Percentage	89.7	85.7	—	No assurance

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PECCA GROUP BERHAD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Age Group by Employee Category - Middle management Above 50	Percentage	7.7	4.8	—	No assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Age Group by Employee Category - Executive Under 30	Percentage	36.5	38.9	—	No assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Age Group by Employee Category - Executive 31-50	Percentage	55.2	53.7	—	No assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Age Group by Employee Category - Executive Above 50	Percentage	8.3	7.4	—	No assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Age Group by Employee Category - Non-executive Under 30	Percentage	49.1	54.6	—	No assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Age Group by Employee Category - Non-executive 31-50	Percentage	50.0	44.8	—	No assurance

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PECCA GROUP BERHAD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Age Group by Employee Category - Non-executive Above 50	Percentage	0.9	0.6	—	No assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Gender Group by Employee Category - Senior management Male	Percentage	80.0	72.2	—	No assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Gender Group by Employee Category - Senior management Female	Percentage	20.0	278	—	No assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Gender Group by Employee Category - Middle management Male	Percentage	76.9	73.8	—	No assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Gender Group by Employee Category - Middle management Female	Percentage	231	26.2	—	No assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Gender Group by Employee Category - Executive Male	Percentage	44.8	431	—	No assurance

Additional Information

PECCA GROUP BERHAD

BMLR Transition Period

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Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Gender Group by Employee Category - Executive Female	Percentage	55.2	50.9	—	No assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Gender Group by Employee Category - Non-executive Male	Percentage	90.6	89.1	—	No assurance
Labour Practices & Human Rights	Bursa C3(a) Percentage of employees by gender and age group, for each employee category: Gender Group by Employee Category - Non-executive Female	Percentage	9.4	10.9	—	No assurance
Labour Practices & Human Rights	Bursa C3(b) Percentage of directors by gender and age group: Male	Percentage	75.0	75.0	—	No assurance
Labour Practices & Human Rights	Bursa C3(b) Percentage of directors by gender and age group: Female	Percentage	25.0	25.0	—	No assurance
Labour Practices & Human Rights	Bursa C3(b) Percentage of directors by gender and age group: Under 30	Percentage	0.0	0.0	—	No assurance
Labour Practices & Human Rights	Bursa C3(b) Percentage of directors by gender and age group: 31-50	Percentage	25.0	25.0	—	No assurance
Labour Practices & Human Rights	Bursa C3(b) Percentage of directors by gender and age group: Above 50	Percentage	75.0	75.0	—	No assurance

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PECCA GROUP BERHAD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Data Privacy & Cybersecurity	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	—	No assurance
Community Engagement & Social Impact	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	409,728.00	579,270.00	—	No assurance
Community Engagement & Social Impact	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2,545	1,114	—	No assurance
Ethical Governance & Anti-Corruption	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category: Senior management	Percentage	40.0	100.0	—	No assurance
Ethical Governance & Anti-Corruption	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category: Middle management	Percentage	30.8	100.0	—	No assurance
Ethical Governance & Anti-Corruption	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category: Executive	Percentage	37.5	100.0	—	No assurance
Ethical Governance & Anti-Corruption	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category: Non-executive	Percentage	7.2	17.1	—	No assurance
Ethical Governance & Anti-Corruption	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.0	100.0	—	No assurance



III.

CORPORATE GOVERNANCE & COMPLIANCE

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Corporate Governance Overview Statement

The Board of Pecca is pleased to present its statement on the corporate governance practices of the Company during the FY2026, guided by the principles set out in the MCCG.

PRINCIPLE A

Board Leadership and Effectiveness



PRINCIPLE B

Effective Audit and Risk Management



PRINCIPLE C

Integrity In Corporate Reporting and Meaningful Relationships with Stakeholders



This statement is prepared in compliance with Paragraph 15.25(1) of the Bursa Malaysia MMLR and guided by Practice Note 9 of the Bursa Malaysia MMLR and the Bursa Malaysia Corporate Governance Guide (4th Edition).

Detailed application of each practice of the MCCG during FY2026 is disclosed in the Company's Corporate Governance Report, which is available on the Company's website at <https://peccagroup.com/> as well as via announcement on the website of Bursa Malaysia.

This Corporate Governance Overview Statement should also be read in combination with the other statements in this IAR 2026 (i.e. SORMIC, ARMC Report, and Sustainability Statements as the application of certain governance enumerations may be more evidently expressed in the context of the respective statements.

PRINCIPLE A Board Leadership and Effectiveness

I Board Responsibilities

1. Establishing Clear Roles and Responsibilities of the Board

Pecca Group is headed by an experienced and effective Board, which assumes overall responsibility in leading the strategic direction, future expansion, corporate governance, risk management, human resource planning and development of the Group, in addition to overseeing the investments made by the Group and ensuring the upholding of proper business conduct.

The Board discharges its responsibilities in the best interests of the Group, assuming the following key responsibilities in discharging its fiduciary duties:-

- (a) Reviewing and adopting strategic plans, and then monitoring the implementation of such strategic plans by the Management;
- (b) Overseeing and evaluating the conduct and sustainability of the Group;
- (c) implementing appropriate internal controls and mitigation measures to address identified risks;
- (d) Carrying out periodic reviews of the Group's financial performance, operating results and major capital commitments; and
- (e) Reviewing the adequacy and integrity of the Group's internal control system.

In order to ensure the effective discharge of its stewardship role, the Board delegates some of its responsibilities to the Board Committees, namely the ARMC, NC and RC, each of which operate under their own defined Terms of Reference. The Chairpersons of the respective Board Committees report to the Board on key matters deliberated at their meetings and make recommendations to the Board for final decisions, where necessary.

Although the Board delegates specific powers to its Committees, it remains informed of their key deliberations and decisions through reports presented by the Chairperson or a representative of each Committee, as well as the tabling of the relevant Committee meeting minutes for notation. Ultimate responsibility for decision-making remains with the Board.

2. Separation of Powers of the Chairman and GMD

The Board is led by an Independent Non-Executive Chairman who is responsible for providing effective leadership and safeguarding the integrity and effectiveness of the Board's governance processes. The Chairman's responsibilities are set out in the Board Charter.

Corporate Governance Overview Statement

PRINCIPLE **A** Board Leadership and Effectiveness (CONT'D)

I Board Responsibilities (Cont'd)

2. Separation of Powers of the Chairman and GMD (Cont'd)

A clear division of roles and responsibilities between the Chairman and the GMD ensures an appropriate balance of power and authority within the Company. The Chairman leads the Board and ensures that it effectively discharges its responsibilities, while the GMD serves as the principal link between the Board and Management, facilitating the effective functioning of the Company's governance and management processes.

3. Company Secretaries

The Board is supported by suitably qualified, competent and capable Company Secretaries and has direct access to their advice and services. The Company Secretaries advise the Board on matters relating to the Company's Constitution, the Board's policies and procedures, corporate governance practices, and compliance with relevant legislation and regulatory requirements.

In recognising that effective decision-making depends on the quality and timeliness of the information provided, each Director has access to all relevant information within the Company. Meeting materials are prepared and circulated to members of the Board and its Committees at least five business days before each meeting, allowing sufficient time for review and enabling informed deliberation and decision-making.

4. Access to Information and Advice

To support the effective functioning of the Board, each Director has individual and independent access to the advice and support of the Company Secretaries, Internal Auditors and External Auditors. Directors may also seek advice from Management on matters within their respective areas of responsibility. In addition, the Board has full and timely access to all relevant information within the Group. Board papers are circulated in advance of each meeting, allowing the Directors sufficient time to review the information provided, consider the matters to be discussed and discharge their duties diligently.

The Board papers comprise the meeting agenda and supporting reports covering, among other matters, strategic, financial, operational and regulatory compliance matters requiring the Board's approval. The proceedings of each Board meeting are duly recorded, and the draft minutes are circulated to all Directors for review before being confirmed by the Chairman as a correct record.

The Company Secretaries document the pertinent matters discussed, the substance of enquiries raised and the corresponding responses, members' suggestions, the decisions made and the rationale supporting those decisions. They also update the Board at subsequent meetings on follow-up actions arising from its decisions and requests. These arrangements enable the Board to discharge its fiduciary duties and oversight responsibilities effectively while reinforcing a culture of transparency and accountability within the Company.

5. Board Charter

The Board Charter adopted by the Board serves both as a source of reference and primary guide to the Board as it sets out the roles, functions, composition, operation and processes of the Board, Board Committees and individual Directors. The Charter contains a schedule of matters specifically reserved for the Board's action, as set out below:-

- (a) COI issues relating to a substantial shareholder or a Director, including approving related party transactions;
- (b) Material acquisitions and disposal of assets not in the ordinary course of business, including significant capital expenditures;
- (c) Strategic investments, mergers and acquisitions, and corporate exercises;
- (d) Corporate strategic plans;
- (e) Budgets;
- (f) Quarterly and annual financial statements for announcements; and
- (g) Corporate governance policies.

Corporate Governance Overview Statement

PRINCIPLE

A

Board Leadership and Effectiveness (CONT'D)

I Board Responsibilities (Cont'd)

5. Board Charter (Cont'd)

The Board Charter also serves as a key induction resource for newly appointed Directors and an ongoing reference for existing Directors, providing guidance on the duties and responsibilities of the Board and its Committees.

The Board periodically reviews the Charter to ensure that it remains aligned with regulatory developments and reflects any amendments to the Terms of Reference of the Board Committees. The Board Charter is available on the Company's website at <https://peccagroup.com/>.

6. Code of Ethics

The Board has formalised a Code of Ethics for Directors, which sets out the standards of conduct expected of all Directors and is aligned with the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia. The Code establishes the core ethical values that guide the Board and affirms its commitment to upholding integrity, transparency, accountability and corporate social responsibility. The Code of Ethics of Directors is available on the Company's website at <https://peccagroup.com/>.

7. Whistle-blower Policy

The Company strives to conduct its business relationships and dealings with the highest level of integrity and accountability. As such, the Company has put in place a Whistle-blower Policy and adopted a zero-tolerance approach toward any misconduct that would jeopardise its good standing and reputation. The Whistle-blower Policy is intended to encourage and enable directors, employees and stakeholders of the Group to raise concerns about suspected and/or known malpractice, misconduct or wrongdoings, and is available on the Company's website at <https://peccagroup.com/>.

8. ABAC Policy

The Board adopts a zero-tolerance approach to all forms of bribery and corruption, as defined in the Company's ABAC Policy. Underpinned by the Company's core principles and its Code of Ethics for Directors, the ABAC Policy provides guidance on identifying, preventing and addressing bribery and corruption that may arise in the course of business. The ABAC Policy is available on the Company's website at <https://peccagroup.com/>.

9. Directors' Fit and Proper Policy

The Company has adopted a Directors' Fit and Proper Policy to ensure a formal and transparent process for the appointment and re-election of Directors and the appointment of Key Senior Management of the Company. The execution is delegated to the NC, which will be reviewed and approved by the Board. The Board reviews the Director's Fit and Proper Policy periodically, which is available on the Company's website at <https://peccagroup.com/>.

10. COI Disclosure

The Group's COI disclosure aims to ensure that conflicts of interest are managed appropriately, with the goal of promoting transparency, fostering a culture of honesty and integrity, and strengthening good governance throughout the Group.

The COI disclosure requirements set out the obligations of each Director and member of Key Senior Management in relation to conflicts of interest that exist or may arise, facilitating their systematic identification, timely disclosure and effective management.

Corporate Governance Overview Statement

PRINCIPLE **A** Board Leadership and Effectiveness (CONT'D)

I Board Responsibilities (Cont'd)

10. COI Disclosure (Cont'd)

Accordingly, any Director who becomes aware of an actual or potential conflict of interest, material personal interest or relationship that could reasonably influence their decision-making must immediately disclose the matter to the Board and abstain from participating in any related deliberation or decision.

II Board Composition

1. Board Composition and Balance

The composition of the Board and its Committees is reviewed annually by the NC to ensure an appropriate balance of representation and expertise across areas relevant to the Group's businesses. In doing so, the NC considers the nature and complexity of the Group's operations, as well as the capabilities required to support its business sustainability efforts.

During FY2026, there were changes in the Board's composition, following the resignation of Dato' Mohamed Suffian Bin Awang as Independent Non-Executive Chairman of the Company on 21 May 2026, in view of his 12-year tenure as Independent Director pursuant to Paragraph 1.01 of the Bursa Malaysia MMLR. Subsequently, on 20 August 2026, Dato' Dr. Norhizan Bin Ismail resigned as Independent Non-Executive Director of the Company.

To strengthen the Board's composition and maintain its balance of skills and independence, the Board appointed, through the recommendation of the NC, Tan Sri Dato' Setia Mazlan Bin Mansor as the new Independent Non-Executive Chairman on 21 May 2026. The Board also appointed Yong Hui Nee as a new Independent Non-Executive Director through the recommendation of the NC on 20 August 2026.

Accordingly, the Board comprises eight members, comprising four Independent Non-Executive Directors, three Executive Directors and one GMD. This complies with Paragraph 15.02 of the Bursa Malaysia MMLR, which requires at least two Board members or one-third of the Board of the Company, whichever is higher, are Independent Directors.

The Board has a well-balanced composition of experienced business leaders and qualified professionals from diverse genders, age groups and ethnic backgrounds. Collectively, the Directors bring a broad range of knowledge, skills and experience in areas including strategic planning, business development, finance, corporate affairs, information technology, marketing and operations. The profiles of the Directors are presented on pages 28 to 31 of in this IAR 2026.

2. Board Independence

The Board recognises that independence and objective judgement are crucial elements in the decision-making process. The Group's Independent Non-Executive Directors play a significant role in this process by providing an unbiased and independent view, giving suitable advice and judgement while taking into account the interests of relevant stakeholders, including minority shareholders, of the Group.

To preserve Board independence, the tenure of an Independent Director is subject to a cumulative term limit of nine years pursuant to Practice 5.3 of the MCCG. The retention of an Independent Director after serving this term is subject to annual assessment by the NC, which will consider such relevant factors including the Director's contributions and continuing independence. Additionally, their re-appointment must also obtain shareholders' approval annually through a two-tier voting process at a general meeting. The Board must provide valid justification for its recommendation for re-appointment in the explanatory notes accompanying the relevant resolution in the notice of the general meeting.

Corporate Governance Overview Statement

PRINCIPLE

A

Board Leadership and Effectiveness (CONT'D)

II Board Composition (Cont'd)

2. Board Independence (Cont'd)

However, upon completion of their nine-year term, an Independent Director may continue to serve on the Board as a Non-Independent Director. Notwithstanding the above, the tenure of an Independent Director should not exceed a cumulative term of 12 years in compliance with the Bursa Malaysia MMLR.

In this regard, Dato' Mohamed Suffian Bin Awang and Datuk Leong Kam Weng have served on the Board as Independent Directors for a cumulative term of more than nine (9) years. The Board, after considering the recommendation of the NC and without the participation of Dato' Mohamed Suffian Bin Awang and Datuk Leong Kam Weng, resolved to retain them as Independent Directors as they bring a wealth of knowledge and experience to the Company. In addition, they provide effective checks and balances in Board proceedings and continue to exercise their independence and objective judgment in Board deliberations and Board Committee meetings. Subsequently, Dato' Mohamed Suffian Bin Awang resigned on 21 May 2026 in view of his 12-year tenure as Independent Non-Executive Chairman of the Company.

3. Boardroom Diversity

The Board acknowledges the importance of boardroom diversity, fair and equal opportunity, and fostering an inclusive culture in accordance with the Company's Diversity Policy. As such, the Board seeks to maintain a balanced mix of skills, knowledge, experience, professional backgrounds, expertise, age, gender and ethnicity. The Board views diversity as an essential element of effective governance, as varied perspectives support more constructive deliberation and higher-quality decision-making, thereby contributing to the Company's continued development and long-term sustainability.

At present, the Board comprises three women Directors, representing 37.5% of its total membership. The Board has therefore met the 30% women Directors benchmark set out under Practice 5.9 of the MCCG. It remains committed to considering a diverse range of candidates, including women, in future recruitment and selection processes.

The Diversity Policy is available on the Company's website at <https://peccagroup.com/>.

4. Appointment of Directors

The NC is responsible for developing the policies and procedures governing the recruitment and annual assessment of Directors. These provide a formal framework to guide the NC in discharging its responsibilities relating to the nomination, evaluation, selection and appointment of new Directors.

In line with this approach and in compliance with the Bursa Malaysia MMLR, the Company has adopted a Directors' Fit and Proper Policy setting out the selection criteria for the appointment and re-election of Directors, as well as the appointment of Key Senior Management.

Additional Directors are appointed as and when considered necessary by the Board, based on the NC's recommendation. The NC first evaluates all nominees and candidates, taking into account, among other factors, their competencies, knowledge, expertise, experience, professionalism, integrity and ability to devote sufficient time to the role. For candidates being considered for appointment as Independent Non-Executive Directors, the NC also assesses their independence against the relevant criteria.

In identifying prospective Directors, the NC draws on a range of approaches and sources to identify the most suitable candidates. It does not rely solely on recommendations from existing Board members, Management or major shareholders.

Corporate Governance Overview Statement

PRINCIPLE **A** Board Leadership and Effectiveness (CONT'D)

II Board Composition (Cont'd)

5. Re-election of Directors

In accordance with the Company's Constitution, an election of Directors shall take place each year at the AGM and one-third of the Directors are subject to retirement by rotation. In any event, each Director shall retire from office once every three years. The Directors to retire each year are the Directors who have served longest in office since their last appointment or re-election. The Directors appointed by the Board during the financial year are subject to retirement at the next AGM held following their appointment in accordance with the Company's Constitution. All retiring Directors are eligible for re-election.

Based on the schedule of rotation, the following Directors are subject to retirement by rotation pursuant to the Company's Constitution at the forthcoming Sixteenth (16th) AGM:-

Clause 97 of the Constitution

- (a) Teoh Zi Yi
- (b) Teoh Zi Yuen

Clause 105 of the Constitution

- (a) Tan Sri Dato' Setia Mazlan Bin Mansor
- (b) Yong Hui Nee

At the forthcoming AGM, the above-mentioned Directors have expressed their intention to seek re-election. The Board via the NC has carefully assessed the suitability, effectiveness and attendance of these Directors at Board and Board Committee meetings throughout the year under review. Based on this and other considerations, the Board is satisfied with the skills and contributions of these retiring Directors and thus recommends their re-election as Directors of the Company, which is to be approved by shareholders at the forthcoming 16th AGM.

6. Directors' Commitment

The Board meets quarterly, with additional meetings convened when necessary to address urgent or significant matters requiring its attention. The Company Secretaries duly record the pertinent issues considered, the deliberations undertaken, and the decisions and conclusions reached at each meeting.

The Board is satisfied with the Directors' commitment to fulfilling their roles and responsibilities, as demonstrated by the fact that most Directors attended every Board meeting held during FY2026.

Corporate Governance Overview Statement

PRINCIPLE **A** Board Leadership and Effectiveness (CONT'D)

II Board Composition (Cont'd)

6. Directors' Commitment (Cont'd)

The Board met six times during FY2026. The details of the Directors' attendance at the Board and Board Committees meetings during the financial year under review are set out below:-

Name	Board	ARMC	NC	RC
Dato' Mohamed Suffian Bin Awang ^(a) <i>Independent Non-Executive Chairman</i>	6/6	5/5	2/2	2/2
Datuk Teoh Hwa Cheng <i>Group Managing Director</i>	6/6	-	-	-
Datin Sam Yin Thing <i>Executive Director</i>	6/6	-	-	-
Teoh Zi Yi <i>Executive Director</i>	6/6	-	-	-
Teoh Zi Yuen <i>Executive Director</i>	6/6	-	-	-
Datuk Leong Kam Weng <i>Independent Non-Executive Director</i>	6/6	5/5	2/2	2/2
Dato' Seri Dr. Chen Chaw Min ^(b) <i>Independent Non-Executive Director</i>	6/6	5/5	-	-
Dato' Dr. Norhizan Bin Ismail ^(c) <i>Independent Non-Executive Director</i>	6/6	5/5	2/2	2/2
Tan Sri Dato' Setia Mazlan Bin Mansor ^(d) <i>Independent Non-Executive Chairman</i>	-	-	-	-
Yong Hui Nee ^(e) <i>Independent Non-Executive Director</i>	-	-	-	-

Remarks:

- (a) Resigned as Independent Non-Executive Chairman and ceased as Chairman of NC, member of ARMC and RC on 21 May 2026.
- (b) Appointed as Chairman of NC and member of RC on 21 May 2026.
- (c) Resigned as Independent Non-Executive Director and ceased as a member of ARMC, NC and RC on 20 August 2026.
- (d) Appointed as Independent Non-Executive Chairman on 21 May 2026.
- (e) Appointed as Independent Non-Executive Director, as well as member of ARMC, NC and RC on 20 August 2026.

7. Directors' Training

The Board acknowledges that continuous education is vital for Board members to keep abreast with the latest industry developments, business environment updates, as well as changes to statutory requirements and regulatory guidelines.

All Directors have attended the Mandatory Accreditation Programme as well as the Mandatory Accreditation Programme Part II on sustainability as required by the Bursa Malaysia MMLR. Beyond this, each Director is expected to identify and attend suitable training courses, so as to stay up-to-date and equip themselves with the skills to discharge their duties as Directors effectively.

Corporate Governance Overview Statement

PRINCIPLE **A** Board Leadership and Effectiveness (CONT'D)

II Board Composition (Cont'd)

7. Directors' Training (Cont'd)

From time to time, the Company Secretaries will also circulate relevant guidelines on statutory and regulatory requirements and update the Board during Board meetings. The External Auditors will also brief the Board members on any current and future changes to the MFRS that may affect the Group's financial statements.

During FY2026, the Directors attended the following training programmes:-

Directors	Name of Seminar and Training Programmes	Organised by	Event Date
Dato' Mohamed Suffian Bin Awang	• ABAC Policy training 2025	Messrs. Ling & Tan Law Chambers	8 August 2025
	• Implementation of IFRS S1 & S2 – Board Awareness Session	KPMG Malaysia	7 April 2026
Tan Sri Dato' Setia Mazlan Bin Mansor	• Provision of Financial Assistance & Related Party Transactions	CKM Advisory Sdn. Bhd.	25 November 2025
	• IFRS Sustainability Disclosure Standards	PwC Malaysia	26 March 2026
Datuk Teoh Hwa Cheng	• ABAC Policy training 2025	Messrs. Ling & Tan Law Chambers	8 August 2025
	• Implementation of IFRS S1 & S2 – Board Awareness Session	KPMG Malaysia	7 April 2026
	• IFRS S1 & S2 Implementation: A Stakeholder Engagement Workshop	KPMG Malaysia	30 June 2026
Datin Sam Yin Thing	• ABAC Policy training 2025	Messrs. Ling & Tan Law Chambers	8 August 2025
	• Implementation of IFRS S1 & S2 – Board Awareness Session	KPMG Malaysia	7 April 2026
	• IFRS S1 & S2 Implementation: A Stakeholder Engagement Workshop	KPMG Malaysia	30 June 2026
Teoh Zi Yi	• ABAC Policy training 2025	Messrs. Ling & Tan Law Chambers	8 August 2025
	• Implementation of IFRS S1 & S2 – Board Awareness Session	KPMG Malaysia	7 April 2026
	• IFRS S1 & S2 Implementation: A Stakeholder Engagement Workshop	KPMG Malaysia	30 June 2026
Teoh Zi Yuen	• ABAC Policy training 2025	Messrs. Ling & Tan Law Chambers	8 August 2025
	• Implementation of IFRS S1 & S2 – Board Awareness Session	KPMG Malaysia	7 April 2026
	• IFRS S1 & S2 Implementation: A Stakeholder Engagement Workshop	KPMG Malaysia	30 June 2026

Corporate Governance Overview Statement

PRINCIPLE **A** Board Leadership and Effectiveness (CONT'D)

II Board Composition (Cont'd)

7. Directors' Training (Cont'd)

During FY2026, the Directors attended the following training programmes (Cont'd):-

Directors	Name of Seminar and Training Programmes	Organised by	Event Date
Datuk Leong Kam Weng	• Understanding AMLA and Ethics: A Guide for Financial Professionals	Symphony Digest	17 July 2025
	• Beyond Compliance: Leading with AI and Sustainability	Malaysia Institute of Accountants	30 October 2025
	• Key geopolitical risk and economic security perspectives for 2026	PwC	27 March 2026
	• Tax Corporate Governance in Practice	Malaysia Institute of Accountants	31 March 2026
	• Global Economic & Geopolitical Outlook	KPMG Global	31 March 2026
	• BNM Annual Dialogue	FIDE Forum	6 April 2026
	• RESET Strategy and the Base MHIT Plan	FIDE Forum	6 April 2026
	• Implementation of IFRS S1 & S2 – Board Awareness Session	KPMG Malaysia	7 April 2026
	• AI for Business Leaders	MUI Group	8 April 2026
	• The Chairperson' Circle	Bursa Malaysia	29 April 2026
	• Financial Consumer Protection Systems & Overview of PIDM's role	Malaysia Institute of Accountants	30 April 2026
	• Audit Oversight Board Conversion with Audit Committees	Audit Oversight Board, Securities Commission Malaysia	12 May 2026
Dato' Dr. Norhizan Bin Ismail	• Seminar on Common Offences Under Companies Act 2026	Suruhanjaya Syarikat Malaysia	25 November 2025
	• Corporate Readiness 2026 Conference: From Tax Compliance to Competitive Advantage	Shearn Delamore & Co	4 December 2025
	• Implementation of IFRS S1 & S2 – Board Awareness Session	KPMG Malaysia	7 April 2026
Dato' Seri Dr. Chen Chaw Min	• Seminar on Inside Government Strategic Engagement	Humanology Sdn. Bhd.	27-28 August 2025
	• Boardroom Blindspots: How Our Perceptions of Risk Influence our Boardroom Effectiveness	Institute of Corporate Director Malaysia	3 September 2025
	• Future-Ready Boards: Mastering Strategic Leadership in a Disruptive World	Institute of Corporate Director Malaysia	2 December 2025
	• Implementation of IFRS S1 & S2 – Board Awareness Session	KPMG Malaysia	7 April 2026

Corporate Governance Overview Statement

PRINCIPLE **A** Board Leadership and Effectiveness (CONT'D)

II Board Composition (Cont'd)

8. Board Committees

In discharging its fiduciary duties, the Board has delegated specific tasks to Board Committees. These Committees have the authority to examine particular issues and report to the Board on their proceedings, deliberations, and recommendations. Nevertheless, the ultimate responsibility for the final decision on all matters lies with the entire Board as a whole.

(a) ARMC

The ARMC assists the Board in its oversight of the Company's financial statements and reporting, fulfilling its fiduciary responsibilities relating to the internal controls, financial and accounting records and policies, as well as financial reporting practices of the Group.

A copy of the Terms of Reference of the ARMC is available on the Company's website at <https://peccagroup.com/>.

The composition and activities of the ARMC during the financial year under review are set out in the ARMC Report of this IAR at pages 135 to 139.

(b) NC

The NC is comprised exclusively of Independent Non-Executive Directors. Its composition is as follows:-

Dato' Seri Dr. Chen Chaw Min (Chairman)
Independent Non-Executive Director
(Appointed as Chairman on 21 May 2026)

Datuk Leong Kam Weng (Member)
Independent Non-Executive Director

Yong Hui Nee (Member)
Independent Non-Executive Director
(Appointed as a Member on 20 August 2026)

Dato' Mohamed Suffian Bin Awang (Chairman)
Independent Non-Executive Chairman
(Ceased as Chairman on 21 May 2026)

Dato' Dr. Norhizan Bin Ismail (Member)
Independent Non-Executive Director
(Ceased as a Member on 20 August 2026)

The Board is of the view that all the Independent Directors of the Company are always within reach of the shareholders and issues are discussed openly at meetings. Thus, shareholders may approach any of the Independent Directors of the Company. In view thereof, the Board has not nominated a Senior Independent Non-Executive Director at this juncture.

The NC assists the Board in matters relating to the nomination, appointment, and assessment of Directors of the Company, as well as assessing the level of independence of the Independent Directors.

Corporate Governance Overview Statement

PRINCIPLE A Board Leadership and Effectiveness (CONT'D)

II Board Composition (Cont'd)

8. Board Committees (Cont'd)

(b) NC (Cont'd)

The principal duties and responsibilities of the NC as defined in its Terms of Reference, which include but are not limited to the following:-

- (i) To recommend to the Board suitable candidates for all directorships. As part of the nomination process, the NC considers among other factors the candidates' skills, knowledge, expertise, experience, professionalism, integrity, time commitment, character, competence and number of directorships. In the case of candidates for the position of Independent Non-Executive Director, the NC must also ensure the candidate meets the requirements set out in Practice Note 13 of the Bursa Malaysia MMLR.
- (ii) To assist the Board in carrying out annual assessments on the effectiveness of the Board, the Board Committees and the performance of each Director.
- (iii) To carry out annual assessments on the independence of the Independent Directors.
- (iv) To carry out annual reviews on the mix of skills, experience and other qualities of the Board, including core competencies which Non-Executive Directors should bring to the Board.
- (v) To make recommendations to the Board concerning the re-election and re-appointment of Directors at each AGM.

A copy of the Terms of Reference of the NC is available on the Company's website at <https://peccagroup.com/>.

Summary of Activities

During FY2026, the activities undertaken by the NC included:-

- (i) Assessed and was satisfied with the effectiveness of the Board as a whole, the Board Committees as a whole, and the contributions of each Director.
- (ii) Reviewed and was satisfied with the mix of skills, knowledge, expertise and experience, composition and size of the Board in terms of gender, ethnicity and age, as well as on environmental, social and governance issues.
- (iii) Assessed the independence of the Independent Directors, concluding that they fulfil the "independence" criteria as set out in Practice Note 13 of the Bursa Malaysia MMLR.
- (iv) Assessed and was satisfied with the character, experience, integrity, competence and time commitment of the Directors.
- (v) Assessed the fit and properness of Directors who are due for retirement by rotation, recommending Directors who are eligible to stand for re-election to the Board for further recommendation to the shareholders for re-election at the AGM.
- (vi) Reviewed the terms of office of the ARMC and assessed their performance, effectiveness and financial literacy in discharging their duties and obligation in accordance with their Terms of Reference.
- (vii) Discussed the training programmes for Directors to enhance their skills and knowledge.
- (viii) Reviewed and recommended the appointment of new Directors and Board Committee members.
- (ix) Assessed the independence of Independent Directors who have served on the Board for a cumulative term of more than nine years in accordance with the MCCG, recommending them to the Board for further recommendation to shareholders for re-appointment at the AGM.

Corporate Governance Overview Statement

PRINCIPLE **A** Board Leadership and Effectiveness (CONT'D)

II Board Composition (Cont'd)

8. Board Committees (Cont'd)

(c) RC

The RC is comprised exclusively of Independent Non-Executive Directors. Its composition is as follows:-

Datuk Leong Kam Weng (Chairman)
Independent Non-Executive Director

Dato' Seri Dr. Chen Chaw Min (Member)
Independent Non-Executive Director
(Appointed as a Member on 21 May 2026)

Yong Hui Nee (Member)
Independent Non-Executive Director
(Appointed as a Member on 20 August 2026)

Dato' Mohamed Suffian Bin Awang (Member)
Independent Non-Executive Chairman
(Ceased as a Member on 21 May 2026)

Dato' Dr. Norhizan Bin Ismail (Member)
Independent Non-Executive Director
(Ceased as a Member on 20 August 2026)

The RC is governed by the Terms of Reference of the RC which outlines its remit, duties and responsibilities. The principal duties and responsibilities include but are not limited to the following:-

- (i) To ensure that remuneration for Directors is set at a competitive level to recruit, attract, retain and motivate high calibre individuals.
- (ii) To recommend to the Board appropriate remuneration packages for Executive Directors, Non-Executive Directors and Key Senior Management.
- (iii) To review the performance of the GMD and the Executive Directors, recommending to the Board specific adjustments in remuneration and/or reward payments, if any, reflecting their contribution for the year.
- (iv) To ensure that the level of remuneration is aligned with the business strategy, long-term objectives, and complexity of the Company's activities, reflecting the experience and level of responsibilities undertaken by the Directors and Key Senior Management.
- (v) To review the Directors' fees and benefits, including any compensation for loss of employment, recommending the matter to the Board of Directors and thereafter for shareholder approval at a general meeting of the Company.

A copy of the Terms of Reference of the RC is available on the Company's website at <https://peccagroup.com/>.

Corporate Governance Overview Statement

PRINCIPLE

A

Board Leadership and Effectiveness (CONT'D)

II Board Composition (Cont'd)

8. Board Committees (Cont'd)

(c) RC (Cont'd)

Summary of Activities

Below is a summary of key activities undertaken by the RC during FY2026:-

- (i) Reviewed the Directors' Fees and benefits payable to the Directors of the Company and its subsidiaries, and recommended the same to the Board for further recommendation to shareholders for approval at the 15th AGM.
- (ii) Reviewed the remuneration package of the Executive Directors and Key Senior Management of the Company and its subsidiaries, and recommended the same to the Board for approval.
- (iii) Reviewed and recommended the Directors' Fees and benefits payable to the newly appointed Director, Tan Sri Dato' Setia Mazlan Bin Mansor from the date of appointment until the conclusion of the forthcoming 16th AGM.

9. Annual Assessment on the Effectiveness of the Board and Individual Directors

The NC has established a formal annual evaluation process to assess the effectiveness of the Board and its Committees, the contribution and performance of each Director, and the performance of the ARMC and its members.

The evaluation is led by the NC Chairman, who is an Independent Non-Executive Director, with support from the Company Secretaries. It is conducted through questionnaires and incorporates both self-review and peer assessment. The NC reviews the findings and reports them to the Board, highlighting areas for improvement. The assessment outcomes also form the basis for the NC's recommendations on the re-election of the relevant Directors at the AGM.

In evaluating the Board's effectiveness, the NC considers its composition, the time commitment of its members, boardroom activities and overall performance. The NC also annually assesses the independence of the Independent Directors, focusing on their ability to exercise independent and objective judgement and act in the best interests of the Group.

During FY2026, the NC's annual assessment covered the effectiveness of the Board and its Committees; the character, experience, integrity, competence and time commitment of each Director and the CFO; the Board's mix of skills and experience; the independence of the Independent Directors; and the tenure and performance of the ARMC and each of its members. Based on the assessment, the NC concluded that the Directors had discharged their duties satisfactorily and that the Board and its Committees had performed effectively. The NC also determined that the Directors possessed an appropriate mix of skills, experience, knowledge and professional qualifications to contribute positively to the Board and its Committees.

III Remuneration

The RC has established a Directors' and Senior Management Remuneration Policy that is aligned with the Company's performance and long-term strategic objectives. The Policy supports the Company's ability to attract and retain capable Directors and Senior Management to lead the Group effectively. Executive Directors' remuneration is structured to link rewards to corporate and individual performance, while Non-Executive Directors' remuneration reflects their experience and the responsibilities undertaken.

In applying the Policy, the Company seeks to provide fair and competitive remuneration that supports the attraction and retention of a high-quality leadership team. The RC is authorised by the Board to obtain appropriate professional advice from within or outside the Group whenever necessary.

Corporate Governance Overview Statement

PRINCIPLE A Board Leadership and Effectiveness (CONT'D)

III Remuneration (Cont'd)

The RC reviews the annual salaries, incentive arrangements, service arrangements and other employment conditions of Executive Directors and Senior Management and submits its recommendations to the Board for approval. Where required, the proposed remuneration is also subject to shareholders' approval. On the other hand, the remuneration of Non-Executive Directors is determined by the Board as a whole, with the total amount recommended by the Board for shareholders' approval at the AGM.

In any case, Directors abstain from deliberating and voting on matters relating to their own remuneration.

Details of the Directors' remuneration for FY2026 in respect of the Group and the Company, including a breakdown of each Director's fees, salary, bonus, benefits-in-kind, allowances and other remuneration on a named basis, are disclosed under Practice 8.1 of the Corporate Governance Report 2026. The report, as well as the Directors' and Senior Management Remuneration Policy are available on the Company's website at <https://peccagroup.com/>.

Remuneration of Senior Management

Members of Senior Management who report directly to the Executive Directors are assessed annually against established performance measures and targets. The Executive Directors subsequently approve their remuneration based on the assessment outcomes.

In determining the remuneration packages of the Group's Senior Management, consideration is given to their respective responsibilities, skills, expertise and contributions to the Group's performance. The competitiveness of each package is also considered to support the Group's ability to attract and retain executive talent.

Practice 8.2 of the MCGG recommends that companies disclose, on a named basis, the detailed remuneration of their top five members of Senior Management – including salary, bonuses, benefits-in-kind and other emoluments – in bands of RM50,000. The Board has not adopted this Practice at this juncture and considers that the Company requires a further transition period before moving towards full adoption.

The Board believes that such disclosure could create internal tension among members of Senior Management while increasing the risk of key employees being approached by competitors. Accordingly, the Board considers that named disclosure of their remuneration would not currently be in the Group's best interests.

PRINCIPLE B Effective Audit and Risk Management

I ARMC

1. Composition

The ARMC is responsible for assisting the Board in fulfilling its statutory and fiduciary duties to monitor the Group's management of its financial risk processes, accounting and financial reporting practices, ensuring the efficacy of the Group's system of internal control and in maintaining oversight of both the internal and external audit functions.

At present, the ARMC comprises three members, all of whom are Independent Non-Executive Directors. The ARMC Chairman, Datuk Leong Kam Weng, is an Independent Non-Executive Director and is not the Chairman of the Board.

The Board recognises that the independence, objectivity and integrity of the ARMC members are essential to the Committee's effective functioning. None of the current ARMC members is a former key audit partner. In line with the MCGG, the ARMC requires any former key audit partner to observe a cooling-off period of at least three years before being appointed as a member.

Corporate Governance Overview Statement

PRINCIPLE **B** Effective Audit and Risk Management (CONT'D)

I ARMC (CONT'D)

1. Composition (Cont'd)

More information on the ARMC and its activities during FY2026 is set out in the ARMC Report at pages 135 to 139 of this IAR 2026.

2. Financial Reporting

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group, and ensuring that the financial statements of the Group comply with the Companies Act 2016 and applicable financial reporting standards in Malaysia.

The ARMC assists the Board in discharging its fiduciary duties by ensuring that the Company's audited financial statements and quarterly financial reports are prepared in accordance with the MFRS and Bursa Malaysia MMLR. When presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Board aims to present a balanced and fair assessment of the Company's financial position and prospects. In line with this approach, the ARMC reviews the Company's quarterly financial results and annual audited financial statements to ensure accuracy, adequacy and completeness prior to presentation to the Board for its approval.

3. Suitability and Independence of External Auditors

The Board maintains an effective professional relationship with the External Auditors through the ARMC, which engages with them on matters including the audit plan, audit findings and the Group's financial statements. The ARMC invites the External Auditors to its meetings at least twice a year to discuss their findings and the Group's audited financial statements. During FY2026, the ARMC also met privately with the External Auditors without the presence of the GMD, Executive Directors and Senior Management.

The ARMC is responsible for recommending to the Board the appointment or re-appointment of the Company's External Auditors and the proposed audit fees. During the financial year, the ARMC assessed the External Auditors' performance and suitability by considering the quality of their services, the adequacy of their resources, their communication and interaction with the Group, and their independence and objectivity.

Additionally, Messrs. Crowe Malaysia PLT, the Company's External Auditors, have confirmed to the ARMC that they are, and have remained, independent throughout the audit engagement in accordance with the independence requirements established by the MIA.

In consideration of this and other factors, ARMC is satisfied with the suitability and independence of Messrs. Crowe Malaysia PLT based on the quality and competency of services delivered, sufficiency of the firm and professional staff assigned to the annual audit, as well as the non-audit services performed for the FY2026.

The fees paid and payable to the External Auditors during FY2026 are set out in the table below:-

Nature of Services	Company (RM)	Group (RM)
Audit fees		
- Messrs. Crowe Malaysia PLT	62,000	191,000
Non-Audit fees		
- Messrs. Crowe Malaysia PLT	8,000	8,000
Total	70,000	199,000

* The amounts disclosed include non-audit fees incurred for reviewing the SORMIC and other information included in this IAR 2026.

Corporate Governance Overview Statement

PRINCIPLE **B** Effective Audit and Risk Management (CONT'D)

II Risk Management and Internal Control Framework

1. Risk Management and Internal Controls

The Board retains overall responsibility for establishing the Group's risk management framework and maintaining a sound system of risk management and internal control. The system is designed to provide reasonable assurance regarding the effectiveness and efficiency of the Group's operations and extends beyond financial controls to encompass operational and regulatory compliance matters.

Accordingly, the Board has entrusted the ARMC with overseeing the effectiveness of the Group's internal control systems, with the ultimate objectives of protecting the Group's assets and safeguarding shareholders' investments.

The Board acknowledges that the system of internal control is tailored to the Company's specific needs and is designed to manage, rather than eliminate, risk. Hence, it provides reasonable, but not absolute, assurance against material misstatement or loss.

The SORMIC as set out at pages 140 to 145 in this IAR 2026 provides an overview of the risk management practices and internal controls within the Group.

2. Internal Audit Function

The Board acknowledges the significance of an independent internal audit function to manage the overall risk exposure of the Group.

In line with this, the Group's internal audit function reports directly to the ARMC. Regular meetings are held to review matters including risk identification and mitigation actions, with reports made to the Board on a quarterly basis.

The Group's internal audit function is outsourced to GovernAce Advisory & Solutions Sdn. Bhd., with details on the person responsible for the internal audit set out below:-

Name	: Chong Chee Seng
Qualification	: CIA, FCPA with CPA Australia, a CMIIA and Accountant registered with the MIA
Independence	: Does not have any family relationship with any director and/or major shareholder of the Company
Public Sanction or penalty	: Has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year

Nevertheless, the Board affirms overall responsibility for the adequacy and effectiveness of the Group's internal controls and risk management framework.

Further information on the internal audit function is presented in the SORMIC at pages 140 to 145 of this IAR 2026, as well as in the ARMC Report at pages 135 to 139.

Corporate Governance Overview Statement

PRINCIPLE



Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

I Communication with Stakeholders

The Group remains committed to maintaining constructive relationships with its shareholders. Major corporate developments are disclosed promptly to shareholders in line with Bursa Malaysia's emphasis on transparency and sound corporate governance.

For this purpose, the Board has formalised corporate disclosure policies and procedures to support the comprehensive, accurate and timely dissemination of information to regulators, shareholders and other stakeholders. In addition to facilitating compliance with the disclosure requirements of the Bursa Malaysia MMLR, these policies and procedures identify the persons authorised and responsible for approving and disclosing material information.

The Group communicates its financial performance, major corporate developments and other relevant information through quarterly results announcements, IARs, corporate announcements to Bursa Malaysia and press conferences. Further updates on its activities and operations are shared through engagements with analysts and fund managers, investor relations roadshows and the media.

The Company's website at <https://peccagroup.com/> further includes a dedicated corporate information section providing access to its Bursa Malaysia announcements, financial information, share price information and annual reports. The website also provides the contact details of a designated person responsible for addressing enquiries.

II Conduct of General Meetings

As the principal forum for dialogue with shareholders, general meetings provide shareholders with an opportunity to gain a better understanding of the Company's financial and operational performance and to pose questions to the Chairman, other Directors and Management.

The notice of the Company's 15th AGM, which sets out the proposed resolutions, together with the Company's IAR 2025, was circulated to shareholders at least 28 days before the meeting. This is in line with Practice 13.1 of the MCCG, allowing shareholders sufficient time to consider the matters to be tabled and make informed decisions. Shareholders who were unable to attend could appoint proxies to attend, speak and vote on their behalf.

Following that, the 15th AGM was held as a physical meeting in 2025, where the Chairman allocated sufficient time for shareholders, proxies and corporate representatives to ask questions on the matters tabled or raise any concerns. Members of the Board and Management, together with the Company's External Auditors, were present to respond to questions and provide the necessary clarification.

Voting at the 15th AGM was conducted electronically by poll, with the votes cast validated by an independent scrutineer. The results of all resolutions proposed at the AGM were announced to Bursa Malaysia on the same day, while the minutes were circulated to shareholders no later than 30 business days after the meeting.

This Corporate Governance Overview Statement was approved by the Board of the Company on 8 October 2026.

Audit and Risk Management Committee Report

The Board of Pecca is pleased to present the ARMC Report for the FY2026.

The ARMC's role is to carry out the functions of an audit committee as set out in Paragraph 15.12 of Bursa Malaysia MMLR to oversee the risk management framework and policies of Pecca Group.

Details of the composition, authority, responsibilities, and procedures of the ARMC are formalised in its Terms of Reference, which is available on the Company's corporate website at <https://peccagroup.com/>.

1. COMPOSITION

The ARMC comprises the following members, each of whom satisfy the required criteria as set out in Paragraph 15.09 of the Bursa Malaysia MMLR:

No.	Name	Membership
1.	Datuk Leong Kam Weng*	Chairman
2.	Dato' Seri Dr. Chen Chaw Min	Member
3.	Yong Hui Nee ^(a)	Member
4.	Dato' Dr. Norhizan Bin Ismail ^(b)	Member
5.	Dato' Mohamed Suffian Bin Awang ^(c)	Member

* Member of the MIA.

Remarks:

(a) Appointed as ARMC Member on 20 August 2026

(b) Ceased as ARMC Member on 20 August 2026

(c) Ceased as ARMC Member on 21 May 2026

The ARMC is chaired by Datuk Leong Kam Weng, a Fellow of CPA Australia and also a Chartered Accountant of the MIA. The other ARMC members are also equipped with the necessary skills, experience, and competencies to carry out their functions and responsibilities. Their profiles are available on pages 30 to 31.

For FY2026, the Board evaluated the performance and effectiveness of the ARMC via the Nomination Committee's review of the term of office and performance of the ARMC and its members. It was thus satisfied that the ARMC members were able to and had discharged their functions and responsibilities in accordance with the Committee's Terms of Reference.

2. MEETINGS OF THE COMMITTEE

During FY2026, five ARMC meetings were held, with details of attendance as follows:

Name	Total Meetings Attended	Percentage
Datuk Leong Kam Weng	5/5	100%
Dato' Seri Dr. Chen Chaw Min	5/5	100%
Dato' Dr. Norhizan Bin Ismail ^(a)	5/5	100%
Dato' Mohamed Suffian Bin Awang ^(b)	5/5	100%

Remarks:

(a) Ceased as ARMC Member following his resignation as Independent Non-Executive Director on 20 August 2026

(b) Ceased as ARMC member following his resignation as Independent Non-Executive Chairman on 21 May 2026

Audit and Risk Management Committee Report

2. MEETINGS OF THE COMMITTEE (CONT'D)

Representatives of the Internal Audit function, the External Auditors, and Management attended meetings at the ARMC's invitation to brief it on relevant matters. The ARMC also ensured that the External and Internal Auditors have direct lines of communication with it. During the year, the ARMC met with the External Auditors at least twice without the presence of other Directors or Management.

Following each Committee meeting, the ARMC Chairman reported to the Board on the activities undertaken and significant matters discussed. The deliberations of each meeting were duly recorded in the meeting minutes, which were tabled for confirmation at the following ARMC meeting and subsequently presented to the Board for notation.

3. SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The key activities carried out by the ARMC for FY2026 were as follows:

i. Financial Reporting

- a. The ARMC reviewed and ensured that the unaudited quarterly financial results of the Group complied with the MFRS and the Bursa Malaysia MMLR. It reviewed and discussed the unaudited quarterly financial results of the Group with the Management and the External Auditors (where applicable) at each scheduled quarterly ARMC meeting, and recommended the same to the Board for consideration and approval before releasing to Bursa Malaysia.
- b. Reviewed the Company and the Group's annual audited financial statements for FY2026 together with the External Auditors, Messrs. Crowe Malaysia PLT, before recommending to the Board for approval. The ARMC has obtained assurance from the External Auditors that the financial statements give a true and fair view of the financial position and financial performance of the Company and the Group for FY2026 in accordance with all relevant financial reporting standards.
- c. Reviewed the proposed dividends and recommended the same to the Board after considering the solvency test presented by Management. The ARMC is satisfied that adequate funds would be available to meet all debts as and when they fell due within twelve (12) months following distributions to shareholders.
- d. Reviewed the impact of changes to, and the implementation of accounting policies, as well as the adoption of new accounting standards and significant matters highlighted in the financial statements.
- e. Briefed the Board on key issues and considerations discussed by the ARMC when tabling the unaudited quarterly financial results and annual audited financial statements to the Board.

ii. External Audit

- a. Reviewed the External Auditors' audit plan for FY2026, including the scope of work, anticipated key audit matters, reporting timelines, and the External Auditors' fees. The ARMC obtained written confirmation from the External Auditors that its engagement team members have complied with all relevant requirements regarding professional independence during presentation of the audit plan.
- b. Reviewed the External Auditors' audit results and findings for the annual audited financial statements for FY2026, including any audit or accounting issues raised. The ARMC also obtained written confirmation from the External Auditors that its engagement team members have complied with all professional independence requirements throughout the audit engagement.
- c. Conducted two private sessions with the External Auditors without the presence of the GMD, Executive Directors and other key members of Management to enable discussions between the ARMC and the External Auditors. During these sessions, the External Auditors was able to raise key matters noted during the course of the audit, as well as to discuss assistance given by Management to the External Auditors during the audit.

Audit and Risk Management Committee Report

3. SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

The key activities carried out by the ARMC for FY2026 were as follows (Cont'd):

ii. External Audit (Cont'd)

- d. Reviewed and approved the scope, nature and fees for non-audit services by the External Auditors and its affiliates before they are rendered. The review and approval processes were carried out in accordance with the Group's policy on non-audit services, established to ensure non-audit services by external auditors do not compromise their objectivity and independence.
- e. Assessed the suitability, objectivity, and independence of the External Auditors. The ARMC considered, amongst others, the competence, audit quality, and resource capacity of the External Auditors via a formalised evaluation process.
- f. Reviewed and recommended to the Board for approval on the proposed re-appointment of Messrs. Crowe Malaysia PLT as the External Auditors of the Company and authorised the Board to fix their remuneration.

iii. Internal Audit

- a. Reviewed the annual internal audit plan proposed by the outsourced Internal Auditor, GovernAce Advisory & Solutions Sdn. Bhd., considering, amongst others, the internal audit scope, approach, and fees.
- b. Reviewed the internal audit reports presented by the Internal Auditor, including the Internal Auditor's evaluation of the internal control system, highlights of any weaknesses identified, the Internal Auditor's recommendations, and the outcome on follow-up audits pertaining to audit findings and their respective action plans arising from previous audits. The ARMC also invited relevant Management personnel to clarify or address issues highlighted, their action plans, and status updates on the action plans, as necessary.
- c. Conducted one private session with the Internal Auditor without the presence of the GMD, Executive Directors and other key members of Management to enable the Internal Auditor to raise any issues noted during the conduct of its audit activities.
- d. Reviewed the performance and effectiveness of the Internal Auditor based on, amongst others, objectivity and independence, resources, competency, qualification, and whether internal audit activities were carried out in accordance with a recognised framework.

iv. Review of Related Party Transactions ("RPTs")

- a. Reviewed the RPTs and RRPTs of the Company and the Group to ensure that they were conducted on an arm's length basis, that the RRPTs remained within the annual mandate and approved estimates, and that all such transactions complied with the Bursa Malaysia MMLR.
- b. Reviewed the Circular to Shareholders relating to the proposed renewal of shareholders' mandate for RRPTs of a revenue or trading nature, before submitting its recommendation to the Board for approval.

v. Risk Management

- a. Reviewed the Risk Profile of the Group on a semi-annual basis, ensuring key risks of the Group were properly managed. The Risk Profile of the Group was prepared by Management, led by the GMD and assisted by the CFO, in accordance with the Group's Risk Management Policy and Procedures Manual.

Audit and Risk Management Committee Report

3. SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

The key activities carried out by the ARMC for FY2026 were as follows (Cont'd):

v. Risk Management (Cont'd)

- b. Reviewed the adequacy and effectiveness of the risk management and internal control systems of the Group, amongst others, through meetings with and updates by the Management, the Internal Audit function, and assurance by the GMD, CFO, and COO.
- c. Reviewed the SORMIC which has also been reviewed by the External Auditors, and the ARMC Report, and recommended both for the Board's approval for inclusion in the Company's IAR for FY2026.

vi. Ethics and Integrity

The ARMC did not receive any reports under the Group's Whistle-blower Policy during FY2026. The Committee takes such reports very seriously, with investigation and confidentiality protection ensured in line with the Whistle-blower Policy.

vii. Others

- a. Reviewed the results of the financial year ended 30 June 2026 against the budget for the same period.
- b. Reviewed conflicts of interest and potential conflicts of interest among directors and the Management, advising action in the best interests of the Group when a conflict of interest arises or potentially arises to ensure systematic identification, disclosure, and management of the conflict in an effective and timely manner.

4. SUMMARY OF THE ACTIVITIES OF INTERNAL AUDIT FUNCTIONS

The Group's Internal Audit function is outsourced to GovernAce Advisory & Solutions Sdn. Bhd., a professional internal audit service provider which reports directly to the ARMC. The main role of the internal auditor is to provide reasonable assurance on the adequacy and operating effectiveness of the risk management and internal control system of the Group to the Board, through the ARMC. The Internal Audit function is independent of the activities it audits.

During FY2026, the Internal Auditor adopted a risk-based approach in developing the annual internal audit plan, which was reviewed and approved by the ARMC. The Internal Auditor carried out the internal audit activities based on the approved annual internal audit plan and is guided by the International Professional Practices Framework for internal auditing issued by the Institute of Internal Auditors. The Internal Auditor has the necessary authority to carry out its internal audit work, including access to documents, systems, personnel, and Management's advice where necessary. In addition, the Internal Auditor also performed follow-up audits to review whether action plans agreed by Management during previous internal audit cycles have been implemented.

The summary of activities carried out by the Internal Auditor for FY2026 are as follows:

- i. Proposed the annual internal audit plan for the ARMC's approval.
- ii. Performed internal audit, including internal control review and follow-up audit on the following areas:
 - Production;
 - Sales;
 - Research and Development; and
 - Human Resource.

Audit and Risk Management Committee Report

4. SUMMARY OF THE ACTIVITIES OF INTERNAL AUDIT FUNCTIONS (CONT'D)

The summary of activities carried out by the Internal Auditor for FY2026 are as follows (Cont'd):

- iii. Presented the results and findings arising from the internal audit and follow-up audit activities to the ARMC, including recommendations to enhance the system of internal controls addressing the audit findings and weaknesses noted during the audit.

The ARMC discussed the Internal Auditor's findings and, where necessary, sought clarification from Management on the matters raised. It noted the findings and the corresponding remedial action plans agreed by Management, the implementation and progress of which would be monitored during subsequent internal audit cycles.

The Internal Audit team which carried out the internal audit and follow-up audit activities comprised four personnel with suitable qualifications and experience. They are led by the Engagement Partner who is also a Certified Internal Auditor, Fellow Certified Practising Accountant with CPA Australia, a Chartered Member of the Institute of Internal Auditors Malaysia, and an Accountant registered with the MIA. The total cost incurred by the internal audit function of the Group during FY2026 amounted to RM68,000.

This ARMC Report was approved by the Board on 8 October 2026.

Statement on Risk Management and Internal Control

This SORMIC is made pursuant to Paragraph 15.26(b) of the Bursa MMLR and MCGG. The SORMIC outlines the nature and scope of Pecca and the Group's system of risk management and internal control, including the risk management framework and processes, which was in place in the financial year ended FY2026 and up to the date of approval of the SORMIC. The SORMIC was prepared with due consideration given to the mandatory contents set out in the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" and "SORMIC Guide 2025" published by Bursa Malaysia.

SCOPE OF THIS STATEMENT

This SORMIC and the risk management practices described within covers the Group and its subsidiaries.

THE BOARD'S RESPONSIBILITY AND GOVERNANCE STRUCTURE

The Board acknowledges its responsibility to establish a sound system of risk management and internal control to safeguard the assets of Pecca Group Berhad (the "Company") and its shareholders' investments. This responsibility includes regularly reviewing the adequacy and operating effectiveness of the Group's risk management and internal control system. The Board also recognises that any such system is subject to inherent limitations and is designed to manage, rather than eliminate, risks that may impede the achievement of the Group's business objectives. Accordingly, the system can provide only reasonable, rather than absolute, assurance against material misstatements, losses, fraud or breaches of laws or regulations.

The Board assumes, in its Board Charter, the following duties and responsibilities, which are also in line with the Principles and Practices of the MCGG:

- Ensuring there is a sound framework for internal control and risk management;
- Understanding the principal risks of the Group's business and recognising that business decisions involve the taking of appropriate risks; and
- Setting the risk appetite within which the Board expects the Management team to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage, and monitor significant financial and non-financial risks.

To assist the execution of the Board's duties and responsibilities, ARMC supports the Board in overseeing the risk management framework and policies of the Group. The ARMC is comprised of three (3) Independent Non-Executive Directors, whose responsibilities include overseeing the implementation and reviewing the adequacy and operating effectiveness of the Group's system of risk management and internal control, and reviewing and monitoring the Group's risk profiles and the management of key risks identified from time to time.

The ARMC and the Board are supported by the Management team, which is led by the GMD and includes the ED, CFO, COO. The heads of the respective business units are also responsible for implementing the risk management framework and policies, including the processes on risk identification, evaluation, management, monitoring, and reporting.

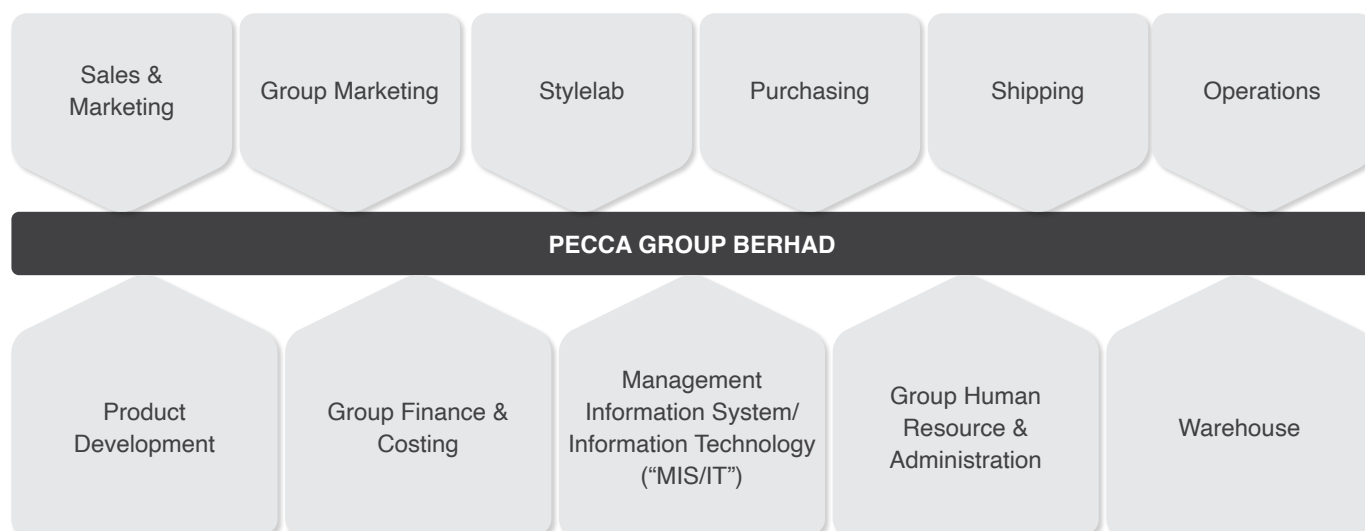
During the financial year, the ARMC conducted an annual review of the adequacy and operating effectiveness of the Group's risk management and internal control system based on audits carried out by the Internal Audit function, together with control issues raised by the External Auditors. The ARMC also reviewed Management's responses to the audit matters identified, deliberated on the remedial actions taken, and reported the outcome of its deliberations to the Board.

Based on the reports and assurances received from the ARMC, the Management, the Internal Audit function, and External Auditors where relevant, the Board has conducted an annual review of the Group's risk management and internal control system for the year under review. The Board is satisfied that the Group's risk management and internal control framework remains appropriate and continues to operate effectively, in all material respects, throughout FY2026 and up to the date of approval of this SORMIC.

Statement on Risk Management and Internal Control

RISK MANAGEMENT

To support a consistent and systematic approach to risk management, the Group has implemented a framework for identifying, evaluating, managing and reporting risks across its operations. The framework is documented in the Group's Risk Management Procedure and adopts a methodology guided by ISO 31000:2018, the international standard for risk management. The Board recognises the importance of this framework, which extends to the following key functions and operating units:



Three Lines of Defence

The Group adopts the principles of the Institute of Internal Auditors' Three Lines Model as part of its risk management and internal control framework. This model provides a structured approach to establishing clear roles, responsibilities and accountability for governance, risk management and assurance across the Group.

Under the First Line, the business units are responsible for identifying, assessing and managing the risks arising from their respective activities, as well as implementing and maintaining appropriate controls and mitigation measures. Risks are assessed with reference to the Group's strategic objectives, their likelihood and potential impact, and the risk appetite and tolerance levels approved by the Board. The identified risks, their inherent and residual risk ratings, and the corresponding Management action plans are documented in the respective risk registers.

Under the Second Line, the Management and functions responsible for risk oversight provide guidance, coordination, monitoring and challenge in relation to the Group's risk management activities. They consolidate the material risks identified across the Group into the Group Risk Profile, monitor the implementation of mitigation plans and report significant risks, emerging developments and any exposures exceeding the approved risk appetite to the GMD and the ARMC. The Group Risk Profile is reviewed and deliberated by the ARMC before being presented to the Board for approval and oversight.

Under the Third Line, the Internal Auditors provide independent and objective assurance to the ARMC and the Board on the adequacy and operating effectiveness of the Group's governance, risk management and internal control processes. The Board retains ultimate accountability for risk oversight, supported by the ARMC, while the GMD provides leadership in promoting a risk-aware culture.

Statement on Risk Management and Internal Control

KEY RISKS

The Group's risks, as identified, are broadly categorised as follows:

Strategic Risk	Operational Risk	Financial Risk	Compliance Risk
Risks that directly impact the Group in meeting its long-term goals and fundamental business objectives	Risks that disrupt the efficiency of the Group's operations due to failed internal processes, people, systems, or external events	Risks that could cause financial losses or adversely affect the Group's financial position	Risks that could expose the Group to legal, financial, and reputational penalties due to regulatory non-compliance

Sustainability and Emerging Risks

The Group incorporates material sustainability-related risks, recognising that sustainability factors increasingly influence the overall risk landscape. Such ESG risks are considered alongside financial, operational, regulatory, and other strategic risks rather than being managed as standalone matters. The management and disclosure of the Group's material sustainability matters are guided by prevailing sustainability standards and frameworks, including the GRI Standards and the NSRF, which mandates the progressive adoption of IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2: Climate-related Disclosures, as issued by the ISSB.

During FY2026, Management and the ARMC continued to monitor and assess emerging risks that could potentially affect the Group's business, operations and strategic objectives, including geopolitical and trade uncertainties, supply chain disruptions, evolving cybersecurity threats, and climate-related risks. These risks are evaluated in accordance with the Group's risk management framework and, where considered material, incorporated into Group Risk Profile with appropriate mitigation measures. Significant emerging risks are reported to the ARMC and escalated to the Board, where appropriate.

Further information can be found within the Sustainability Statement on pages 52 to 116 of this IAR.

SUMMARY OF RISK MANAGEMENT ACTIVITIES DURING THE FINANCIAL YEAR

Throughout the financial year, the Group continued to manage risks proactively to support the achievement of its strategic objectives amid an evolving operating environment. Key risk management activities undertaken during the year included:

- The Management team performed semi-annual reviews on the Group's Risk Profile, including relevant updates on the management of key risks and emerging risks. The ARMC reviewed the Group's Risk Profile, which was subsequently tabled to the Board.
- The Management team updated the ARMC on their strategies and action plans for addressing changes in the Risk Profile, including emerging risks to ensure operational agility. During the financial year, in response to the global fuel crisis and the resulting volatility in fuel and shipping costs, the Group implemented a series of dynamic mitigation strategies to safeguard our supply chain continuity and margin stability.
- The ARMC reviewed the adequacy and effectiveness of the risk management and internal control system of the Group through the work of the Management, External and Internal Auditors, and assurance by the GMD, CFO and COO.

Statement on Risk Management and Internal Control

INTERNAL CONTROL SYSTEM

The key elements of the Group's internal control system are as follows:

1. Organisation Structure

The Board and Management of the Group have established an organisation structure which sets out a clear segregation of roles and responsibilities, lines of accountability, and levels of authority to ensure effective and independent stewardship and checks and balances.

The Board, governed by its Board Charter, is responsible for the overall direction, strategy, performance, and management of the Group. The Board Charter sets out, amongst others, the roles and responsibilities of the Board, as well as matters on which the Board reserves full decision-making powers. In carrying out its oversight responsibilities, the Board is supported by Board committees, namely the ARMC, NC, and RC. Each committee has clearly defined Terms of Reference which sets out their authority, procedures, and responsibilities.

The Management team, led by the GMD, is delegated with the necessary authority to manage the day-to-day business of the Group.

2. Code of Ethics

The Group is committed to conducting business fairly, impartially, ethically, and in compliance with all laws and regulations. In order to set the right tone at the top, a Code of Ethics for Directors is in place to set out the standards of ethical behaviour for Directors and uphold the spirit of social responsibility and accountability in line with the laws, regulations, and guidelines governing a company.

Applicable to all Directors of the Group, the Code covers corporate governance, stakeholder relationships, social and environmental responsibilities, human rights, safety, anti-corruption, conflicts of interest, directors' duties, responsibilities and professional conduct. It also establishes mechanisms for reporting unethical conduct and suspected breaches of the Code. Employees are separately governed by the Group's Employees' Code of Ethics and Conduct.

3. Policies and Procedures

Standard operating policies and procedures are in place to ensure the Group's employees carry out operations and business activities in a properly guided, effective, and standardised manner. The Group's standard operating policies and procedures cover the Group's key functions, including Sales and Marketing, Group Marketing, Stylelab, Purchasing, Shipping, Operations, Product Development, Group Finance and Costing, MIS/IT, Group Human Resource and Administration, and Warehouse.

The policies and procedures incorporate internal controls designed to address identified risks, supported by appropriate control activities such as approvals, verifications, reconciliations and the segregation of conflicting responsibilities. They are reviewed and updated periodically to remain responsive to changes in the business environment.

4. Annual Surveillance and Process Audit

The Group's key subsidiary, Pecca Leather Sdn. Bhd., is an IATF16949:2016 certified manufacturer and also holds the ISO9001:2015, ISO14001:2015, and ISO45001:2018 certifications. As such, the Company is subjected to annual surveillance audits by a certification body, Kiwa International Certifications (M) Sdn. Bhd., a business partner of Kiwa Cermet Italia, to ensure that the Company continues to meet quality standards requirements.

The Group's aviation segment, operated by its wholly-owned subsidiary, Pecca Aviation Services Sdn. Bhd., is an AMO Part 145; Scope C6, and POA Part 21; Scope C2 certificate holder. As such, the Company is subjected to annual surveillance audits by certification bodies, i.e. the CAAM and EASA, to ensure that the Company continues to meet quality standards requirements.

Statement on Risk Management and Internal Control

INTERNAL CONTROL SYSTEM (CONT'D)

The key elements of the Group's internal control system are as follows (Cont'd):

5. Internal Audit

The Group has engaged an independent external service provider, GovernAce Advisory & Solutions Sdn. Bhd., as Internal Auditors to carry out the internal audit function in the Group, providing independent advice and assurance on the adequacy and operating effectiveness of the Group's system of risk management and internal control. In carrying out its internal audit work, the Internal Auditors are guided by the International Professional Practices Framework, which is a globally recognised framework on internal auditing. The Internal Auditors are independent of the activities they audit and report directly to the ARMC.

Internal audit findings, such as internal control weaknesses, are highlighted to the ARMC, who will monitor the Management's action plans and progress in addressing such weaknesses. For FY2026, four (4) cycles of internal audit were carried out. Further details on the roles and activities of the internal audit function are set out in the ARMC Report on pages 135 to 139 of this IAR.

6. Whistle-blower Policy

The Group expects its employees to adhere to the highest standards of integrity, probity, transparency, and accountability to preserve and protect the Group's interests and reputation. Any acts of wrongdoing or improper activity are taken seriously by the Group.

As such, the Group has put in place a Whistle-blower Policy to allow employees to raise concerns, without fear of reprisals, on possible improprieties in matters pertaining to, amongst others, corruption or bribery, financial reporting, compliance, and other malpractices, at the earliest opportunity and in an appropriate manner. The Whistle-blower Policy provides protection to the whistle-blower in the form of identity confidentiality and against retaliation, with a reporting channel to an Independent Non-Executive Director.

7. ABAC Policy

The ABAC policy was established to provide clear guidance to the Group's employees and associated persons on maintaining ethical conduct in business dealings. It aims to prevent involvement in bribery and corruption when dealing with business partners and suppliers, public officials, gifting and hospitality, political contributions, sponsorships and charitable donations, facilitation payments, and record keeping.

8. Management Representation and Assurance

The Board has received assurance from the GMD, the CFO and the COO that the Group's risk management and internal control system was operating adequately and effectively, in all material respects, during FY2026.

9. Strategic Business Planning Process

Appropriate business plans are established in which the Group's business objectives, strategies, and targets are articulated. Business planning and budgeting are undertaken annually to establish plans and targets against which performance is monitored on an ongoing basis. The system of continuous monitoring allows the Group to remain agile, optimise resource allocation, and implement timely corrective actions in response to dynamic market conditions.

10. Performance Monitoring and Reporting

The Management team, led by the GMD, ED, CFO, COO, and the heads of the respective departments, monitors and reviews financial and operational results of the Group regularly, including reporting of its performance against the operating plans and targets. The Management team formulates and implements action plans to address identified areas of concern.

Statement on Risk Management and Internal Control

INTERNAL CONTROL SYSTEM (CONT'D)

The key elements of the Group's internal control system are as follows (Cont'd):

10. Performance Monitoring and Reporting (Cont'd)

Monitoring and review is carried out via weekly Management meetings, monthly Group management meetings, weekly operation meetings, weekly sales meetings, monthly forecast meetings, annual budgeting meetings, and presentations to the Board on our quarterly results against the budget, annual budget and business plan, and annual Sustainability Statements.

THE BOARD'S CONCLUSION

Considering the assurance obtained from the GMD, the CFO and the COO together with input from relevant parties, including the reports, findings, and feedback from the Internal and External Auditors, the Board is of the view that the system of risk management and internal control is adequate and operating effectively, in all material aspects, to achieve its objectives, and there were no significant weaknesses which resulted in material losses, contingencies, or uncertainties that would require separate disclosure in this IAR. The Board is committed to ensuring adequate measures are taken to enhance the ongoing adequacy and operating effectiveness of the system of risk management and internal control.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this SORMIC pursuant to the scope set out in the AAPG 3, Guidance for Auditors on Engagements to Report on the SORMIC included in the Annual Report issued by the MIA, for inclusion in the IAR of the Group for FY2026 and reported to the Board that nothing has come to their attention that causes them to believe that the SORMIC intended to be included in the IAR of the Group, in all material respects:

- a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers; or
- b) is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' SORMIC covers all risks and controls, or form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and opinion by the Board and Management team thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the IAR will, in fact, remedy the problems.

This SORMIC was approved by the Board on 8 October 2026.

Directors' Responsibility Statement

The Board is responsible for ensuring that the financial statements prepared for each financial year are in accordance with the applicable approved accounting standards and the provisions of the Companies Act 2016 so as to give a true and fair view of the state of affairs of Pecca and the Group at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements for FY2026, the Board has:

- Adopted appropriate accounting policies and applied them consistently;
- Exercised judgments and made estimates that are prudent and reasonable;
- Ensured compliance with all applicable approved accounting standards;
- Maintained proper accounting and other records sufficient to explain the transactions recorded;
- Taken reasonable steps to safeguard the assets of the Group and the Company;
- Taken reasonable steps to prevent and detect fraud and other irregularities; and
- Prepared the audited financial statements on a going concern basis, having made inquiries that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

This Statement was approved by the Board on 8 October 2026.



IV.

FINANCIAL STATEMENTS

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Directors' Report

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2026.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding activities.

The information on the name, principal place of business/country of incorporation, principal activities, and effective ownership interest and voting interest held by Company in each subsidiary are set out in the "Subsidiaries" section of this report.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit after taxation for the financial year attributable to:-		
Owners of the Company	51,807	43,641
Non-controlling interests	(37)	-
	51,770	43,641

DIVIDENDS

Dividends paid or declared by the Company since 30 June 2025 are as follows:-

	RM'000
<u>In respect of the financial year ended 30 June 2025</u>	
Fourth interim single-tier dividend of 1.00 sen per ordinary share, paid on 26 September 2025	7,244
<u>In respect of the financial year ended 30 June 2026</u>	
First interim single-tier dividend of 1.50 sen per ordinary share, paid on 19 December 2025	10,867
Second interim single-tier dividend of 1.50 sen per ordinary share, paid on 27 March 2026	10,867
Third interim single-tier dividend of 1.50 sen per ordinary share, paid on 19 June 2026	10,867
Fourth interim single-tier dividend of 1.50 sen per ordinary share, paid on 18 September 2026	10,867
	50,712

The directors do not recommend the payment of any further dividends for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

Directors' Report

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

TREASURY SHARES

During the financial year, the Company purchased 2,820,800 of its issued ordinary shares from the open market at an average price of RM1.47 per share. The total consideration paid for the purchase was RM4,138,356 including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 127(16) of the Companies Act 2016 and are presented as a deduction from equity.

As at 30 June 2026, the Company held as treasury shares a total of 27,545,068 of its issued and fully paid-up ordinary shares. The treasury shares are held at a carrying value of RM35,124,806.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Directors' Report

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Datuk Teoh Hwa Cheng
Datin Sam Yin Thing
Datuk Leong Kam Weng
Teoh Zi Yi
Teoh Zi Yuen
Dato' Seri Dr. Chen Chaw Min
Tan Sri Dato' Setia Mazlan Bin Mansor (Appointed on 21.5.2026)
Yong Hui Nee (Appointed on 20.8.2026)
Dato' Mohamed Suffian Bin Awang (Resigned on 21.5.2026)
Dato' Dr. Norhizan Bin Ismail (Resigned on 20.8.2026)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Sam Chee Keng
Mudhieng Sae-tan
Herny Pramana
Neo Hwee Leong
K Karunakaran A/L Karuppannan
Zulhilmi Bin Zahidi

Directors' Report

DIRECTORS' INTERESTS

The interests and deemed interests in the shares of the Company and its related corporations (other than wholly-owned subsidiaries) of those who were directors at financial year end (including the interests of the spouses or children of the directors who themselves are not directors of the Company) as recorded in the Register of directors' shareholdings are as follows:-

	Number of ordinary shares			
	At 1.7.2025	Bought	Sold	At 30.6.2026
Holding Company, MRZ Leather Holdings Sdn. Bhd.				
<i>Direct Interests</i>				
Datuk Teoh Hwa Cheng	2,330,000	-	-	2,330,000
Datin Sam Yin Thing	670,000	-	-	670,000
Company				
<i>Direct Interests</i>				
Datin Sam Yin Thing	53,461,276	1,311,000	-	54,772,276
Datuk Teoh Hwa Cheng	24,367,296	-	-	24,367,296
Datuk Leong Kam Weng	435,364	-	-	435,364
Teoh Zi Yi	1,293,032	-	-	1,293,032
Dato' Seri Dr. Chen Chaw Min	1,700,048	-	-	1,700,048
<i>Indirect Interests*</i>				
Datin Sam Yin Thing	373,075,532	-	-	373,075,532
Datuk Teoh Hwa Cheng	373,075,532	-	-	373,075,532

* Deemed interested in shares held via the holding company, MRZ Leather Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

By virtue of their interest in shares of the Company, Datuk Teoh Hwa Cheng and Datin Sam Yin Thing are deemed interested in the shares of all subsidiaries disclosed in the "Subsidiaries" section of this report to the extent that the Company has an interest.

None of the other directors holding office at 30 June 2026 had any interest in the ordinary shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from the following transactions:-

	Group RM'000
Companies substantially owned by certain directors	
Sales to related parties	181
Rental of premises charged to related parties	388
Management fees charged to related parties	194

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the director to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Report

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	From the Company RM'000	From the Subsidiaries RM'000	Total RM'000
Fees	354	60	414
Salaries, bonuses and other benefits	36	1,898	1,934
Defined contribution benefits	-	227	227
	390	2,185	2,575

INDEMNITY AND INSURANCE COSTS

The directors and officers of the Company are covered under a group insurance policy maintained by the Company. During the financial year, the amount of insurance effected for the directors and officers of the Company and its subsidiaries was RM6,500,000.

No indemnity was given to or insurance effected for the auditors of the Company.

HOLDING COMPANY

The holding company is MRZ Leather Holdings Sdn. Bhd., a company incorporated in Malaysia.

SUBSIDIARIES

- (a) The details of the subsidiaries' name, principal place of business/country of incorporation, principal activities and effective ownership interest and voting interest held by the Company in each subsidiary are disclosed as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Effective Ownership Interest and Voting Interest	Principal Activities
<i>Direct subsidiaries:-</i>			
Pecca Aviation Services Sdn. Bhd.	Malaysia	100.00%	Manufacturing, repair, refurbishment, distribution and installation of aircraft leather seat covers and other leather related products for commercial and private aircrafts.
Pecca Leather Sdn. Bhd.	Malaysia	100.00%	Styling, manufacturing, distribution and installation of leather car seat covers, supply of leather cut pieces to the automotive upholstery industry and other services related to the automotive upholstery industry and manufacturing and distribution of healthcare products.
Evolusi Mobiliti Sdn. Bhd. ("EMSB")	Malaysia	30.00% [#]	Dormant.
Pecca EV Sdn. Bhd.	Malaysia	100.00%	Dormant.
Pecca Plus Sdn. Bhd.	Malaysia	100.00%	Dormant.
Pecca Leather (Thailand) Company Limited ^v	Thailand	49.00%/82.77%	Dormant.

Directors' Report

SUBSIDIARIES (CONT'D)

- (a) The details of the subsidiaries' name, principal place of business/country of incorporation, principal activities and effective ownership interest and voting interest held by the Company in each subsidiary are disclosed as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Effective Ownership Interest and Voting Interest	Principal Activities
<i>Indirect subsidiary:-</i>			
PT Pecca Gemilang Indonesia [^] / _√	Indonesia	80.00%	Manufacturing and supply of upholstery leather car seat wrapping and seat cover.

Notes:-

Although the Company owns less than half of the ownership interest in EMSB, the directors have determined that the Company has de facto control over this entity.

[^] Interest held by Pecca Leather Sdn. Bhd..

_√ This subsidiary was audited by a firm other than member firms of Crowe Malaysia PLT.

- (b) The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration of the Group and of the Company for the financial year are as follows:-

	Group RM'000	Company RM'000
Audit fees	191	62
Non-audit fees	8	8
	199	70

Signed in accordance with a resolution of the directors dated 8 October 2026.

Datuk Teoh Hwa Cheng

Datin Sam Yin Thing

Statement by Directors

Pursuant To Section 251(2) of The Companies Act 2016

We, Datuk Teoh Hwa Cheng and Datin Sam Yin Thing, being two of the directors of Pecca Group Berhad, state that, in the opinion of the directors, the financial statements set out on pages 160 to 221 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2026 and their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 8 October 2026.

Datuk Teoh Hwa Cheng

Datin Sam Yin Thing

Statutory Declaration

Pursuant To Section 251(1)(b) of The Companies Act 2016

I, Chen Yoke Heng, being the officer primarily responsible for the financial management of Pecca Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 160 to 221 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Chen Yoke Heng,
at Kuala Lumpur
in the Federal Territory
on this 8 October 2026.

Before me

Chen Yoke Heng

Muhammad Faiz Dharmendra Bin Abdullah (W737)
Commissioner for Oaths

Independent Auditors' Report

To The Members of Pecca Group Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Pecca Group Berhad, which comprise the statements of financial position of the Group and of the Company as at 30 June 2026, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 160 to 221.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities* for the *Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report

To The Members of Pecca Group Berhad

Key Audit Matters (Cont'd)

We have determined the matter described below to be the key audit matter to be communicated in our report.

Recoverability of Trade Receivables

Refer to Note 9 and Note 24.4(iii) to the financial statements

Key Audit Matter	How our audit addressed the key audit matter
As at 30 June 2026, the Group has significant trade receivable balances of approximately RM34,901,000. The details of credit risks pertaining to trade receivables are disclosed in Note 24.4(iii) to the financial statements. The management applied assumptions in assessing the level of allowance for impairment losses on trade receivables based on the following:- - specific known facts or circumstances on customers' ability to pay; and/or - by reference to past default experiences The Group assessed at each of the reporting date whether there is any objective evidence that trade receivables are impaired based on the validity of contractual terms, analysis of customer creditworthiness, past historical payment trends and expectation of repayment. The impairment assessment involved significant judgements and there is inherent uncertainty in the assumptions applied by the management to evaluate the adequacy of the allowance for impairment losses and estimation of future cash collection. We determined this to be a key audit matter due to the inherent subjectivity that is involved in making judgement in relation to credit risk exposures to assess the recoverability of trade receivables.	Our audit procedures included, amongst others:- - Reviewed and understand the management's assessment of recoverability of major trade receivables; - Reviewed contractual terms to ensure the Group has contractual right to recognise revenue and collect payments; - Reviewed recoverability of major trade receivables including but not limited to the review of subsequent collections; - Enquired the management on receivables status for major customers; - Obtained written confirmations for selected trade receivables. For the non-replies, we have performed alternative procedures; - Reviewed collections and sales trends of major trade receivables; and/or - Reviewed management's basis of estimation on the adequacy of the Group's allowance for impairment losses on trade receivables.

Independent Auditors' Report

To The Members of Pecca Group Berhad

Key Audit Matters (Cont'd)

Valuation of inventories

Refer to Note 8 to the financial statements

Key Audit Matter	How our audit addressed the key audit matter
The Group has significant inventories balances of approximately RM23,944,000 as at 30 June 2026. There is judgement involved in assessing the level of allowance required for slow-moving and obsolete inventories. Accordingly, there is a risk that allowance for slow-moving and obsolete inventories has not been adequately provided for.	Our audit procedures included, amongst others:- • Obtained an understanding of the process on allowance for slow-moving and obsolete inventories and the design and control effectiveness over slow-moving inventories; • Observed the physical inventory count including sighting the conditions of the inventories; • Compared the carrying amounts of the inventories to their corresponding net realisable values; • Reviewed the slow-moving inventories by taking into consideration the ageing profile analysis of the inventories; • Tested the quality of slow moving inventories; and • Assessed the adequacy of the allowance for slow-moving and obsolete inventories.

There are no key audit matters to report for the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include in the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report

To The Members of Pecca Group Berhad

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group or of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditors' Report

To The Members of Pecca Group Berhad

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur

8 October 2026

Lam Chan Moi
03835/05/2028 J
Chartered Accountant

Statements of Financial Position

As at 30 June 2026

		Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Note					
Assets					
Property, plant and equipment	3	43,117	42,538	24	34
Right-of-use assets	4	42,406	23,508	-	-
Investments in subsidiaries	5	-	-	103,851	103,851
Other investments	6	418	418	-	-
Goodwill	7	140	140	-	-
Total non-current assets		86,081	66,604	103,875	103,885
Inventories	8	23,944	23,824	-	-
Trade and other receivables	9	36,153	45,232	3,703	2,941
Prepayments	10	1,726	4,552	29	22
Current tax assets		54	74	-	12
Cash and bank balances		10,477	15,544	73	3,464
Short-term investments	11	109,972	89,366	6,724	4,404
Total current assets		182,326	178,592	10,529	10,843
Total assets		268,407	245,196	114,404	114,728
Equity					
Share capital	12.1	135,702	135,702	135,702	135,702
Treasury shares	12.2	(35,125)	(30,986)	(35,125)	(30,986)
Reserves	12.3	115,340	103,749	13,629	9,833
Total equity attributable to owners of the Company		215,917	208,465	114,206	114,549
Non-controlling interests		443	568	-	-
Total equity		216,360	209,033	114,206	114,549
Liabilities					
Deferred tax liabilities	13	6,929	7,128	-	-
Lease liabilities	14	415	108	-	-
Post-employment benefits		28	25	-	-
Borrowings	15	11,334	4,069	-	-
Total non-current liabilities		18,706	11,330	-	-
Trade and other payables	16	20,607	20,144	198	179
Lease liabilities	14	1,152	320	-	-
Borrowings	15	7,237	1,313	-	-
Current tax liabilities		4,345	3,056	-	-
Total current liabilities		33,341	24,833	198	179
Total liabilities		52,047	36,163	198	179
Total equity and liabilities		268,407	245,196	114,404	114,728

The annexed notes form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For The Financial Year Ended 30 June 2026

	Note	Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Revenue	17	221,985	224,500	44,400	58,400
Cost of sales		(132,166)	(127,992)	-	-
Gross profit		89,819	96,508	44,400	58,400
Other income		1,049	753	-	-
Selling and distribution expenses		(6,167)	(6,974)	-	-
Administrative expenses		(19,346)	(19,976)	(1,085)	(995)
Impairment gain on:					
- financial instruments		177	26	-	-
- non-financial instruments		-	1,484	-	-
Results from operating activities		65,532	71,821	43,315	57,405
Finance income	18	3,537	4,104	360	520
Finance costs		(555)	(328)	-	-
Profit before taxation	19	68,514	75,597	43,675	57,925
Income tax expense	20	(16,744)	(18,501)	(34)	(30)
Profit after taxation for the financial year		51,770	57,096	43,641	57,895
Other comprehensive expenses, net of tax <u>Items that will be reclassified subsequently to profit or loss</u>					
Foreign currency translation differences on foreign operations		(459)	(393)	-	-
Actuarial gain on post-employment benefits		-	10	-	-
		(459)	(383)	-	-
Total comprehensive income for the financial year		51,311	56,713	43,641	57,895
Profit after taxation attributable to:-					
Owners of the Company		51,807	57,121	43,641	57,895
Non-controlling interests		(37)	(25)	-	-
Profit after taxation for the financial year		51,770	57,096	43,641	57,895
Total comprehensive income attributable to:					
Owners of the Company		51,436	56,815	43,641	57,895
Non-controlling interests		(125)	(102)	-	-
Total comprehensive income for the financial year		51,311	56,713	43,641	57,895
Basic and diluted earnings per ordinary share (sen)	21				
- basic		7.15	7.80		
- diluted		7.15	7.80		

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

For The Financial Year Ended 30 June 2026

Group	Note	Attributable to owners of the Company								Non- controlling interests RM'000	Total equity RM'000
		Non-distributable					Distributable				
		Share capital RM'000	Treasury shares RM'000	Merger deficit RM'000	Translation reserve RM'000	Revaluation reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000		
At 1 July 2024		135,702	(60)	(60,822)	(24)	18,965	(7)	140,090	233,844	670	234,514
Profit after taxation for the financial year		-	-	-	-	-	-	57,121	57,121	(25)	57,096
Other comprehensive income for the financial year:											
- actuarial gain on post-employment benefits		-	-	-	-	-	8	-	8	2	10
- foreign currency translation differences on foreign operations		-	-	-	(314)	-	-	-	(314)	(79)	(393)
Total comprehensive income for the financial year		-	-	-	(314)	-	8	57,121	56,815	(102)	56,713
Dividend distributions to owners of the Company	22	-	-	-	-	-	-	(51,268)	(51,268)	-	(51,268)
Purchase of own shares	12.2	-	(30,926)	-	-	-	-	-	(30,926)	-	(30,926)
At 30 June 2025		135,702	(30,986)	(60,822)	(338)	18,965	1	145,943	208,465	568	209,033

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

For The Financial Year Ended 30 June 2026 (cont'd)

Group	Note	Attributable to owners of the Company								Non-controlling interests RM'000	Total equity RM'000
		Non-distributable					Distributable				
		Share capital RM'000	Treasury shares RM'000	Merger deficit RM'000	Translation reserve RM'000	Revaluation reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000		
At 1 July 2025		135,702	(30,986)	(60,822)	(338)	18,965	1	145,943	208,465	568	209,033
Profit after taxation for the financial year		-	-	-	-	-	-	51,807	51,807	(37)	51,770
Other comprehensive income for the financial year:											
- actuarial gain on post-employment benefits		-	-	-	-	-	*	-	*	*	*
- foreign currency translation differences on foreign operations		-	-	-	(371)	-	-	-	(371)	(88)	(459)
Total comprehensive income for the financial year		-	-	-	(371)	-	-	51,807	51,436	(125)	51,311
Dividend distributions to owners of the Company	22	-	-	-	-	-	-	(39,845)	(39,845)	-	(39,845)
Purchase of own shares	12.2	-	(4,139)	-	-	-	-	-	(4,139)	-	(4,139)
At 30 June 2026		135,702	(35,125)	(60,822)	(709)	18,965	1	157,905	215,917	443	216,360

* Amount less than RM1,000.

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

For The Financial Year Ended 30 June 2026 (cont'd)

Company	Note	Attributable to owners of the Company			
		Non-distributable		Distributable	Total equity RM'000
		Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	
At 1 July 2024		135,702	(60)	3,206	138,848
Profit after taxation and total comprehensive income for the financial year		-	-	57,895	57,895
Dividend distributions to owners of the Company	22	-	-	(51,268)	(51,268)
Purchase of own shares	12.2	-	(30,926)	-	(30,926)
At 30 June 2025/1 July 2025		135,702	(30,986)	9,833	114,549
Profit after taxation and total comprehensive income for the financial year		-	-	43,641	43,641
Dividend distributions to owners of the Company	22	-	-	(39,845)	(39,845)
Purchase of own shares	12.2	-	(4,139)	-	(4,139)
At 30 June 2026		135,702	(35,125)	13,629	114,206

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For The Financial Year Ended 30 June 2026

	Note	Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Cash flows from/(for) operating activities					
Profit before taxation		68,514	75,597	43,675	57,925
<i>Adjustments for:</i>					
Depreciation of:					
- property, plant and equipment	3	5,529	5,046	10	10
- right-of-use assets	4	1,347	749	-	-
Dividend income		-	-	(44,400)	(58,400)
Finance income	18	(3,537)	(4,104)	(360)	(520)
Finance costs		555	328	-	-
Gain on:					
- derecognition of lease		-	(1)	-	-
- disposal of property, plant and equipment		(88)	(61)	-	-
- lease modification		-	(14)	-	-
Inventories:	8				
- written back		(918)	(146)	-	-
- written down		-	918	-	-
- written off		-	26	-	-
Impairment gain on:					
- property, plant and equipment		-	(1,484)	-	-
- trade receivables		(177)	(26)	-	-
Post-employment benefits		6	(17)	-	-
Property, plant and equipment written off		20	2	-	-
Unrealised loss/(gain) on foreign exchange	19	319	(38)	-	-
Operating profit/(loss) before working capital changes		71,570	76,775	(1,075)	(985)
Changes in inventories		798	(399)	-	-
Changes in trade and other receivables		1,480	(2,808)	(16)	(2)
Changes in contract assets		-	7	-	-
Changes in prepayments		2,826	(2,775)	(7)	8
Changes in trade and other payables		330	(1,954)	19	9
Cash generated from/(for) operations		77,004	68,846	(1,079)	(970)
Income tax paid		(15,654)	(20,943)	(36)	(30)
Income tax refunded		15	6	14	6
Interest paid		(555)	(328)	-	-
Net cash from/(for) operating activities		60,810	47,581	(1,101)	(994)

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For The Financial Year Ended 30 June 2026 (cont'd)

		Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Note					
Cash flows (for)/from investing activities					
Acquisition of property, plant and equipment	(a)	(6,254)	(4,540)	-	-
Acquisition of right-of-use assets	(a)	(10,504)	(332)	-	-
(Additions)/Withdrawals of short-term investments		(16,640)	23,138	(2,081)	24,758
Proceeds from disposal of property, plant and equipment		89	65	-	-
Advances to subsidiaries		-	-	(746)	(1,088)
Dividends received		-	-	44,400	70,400
Interests received		3,537	4,104	360	520
Net cash (for)/from investing activities		(29,772)	22,435	41,933	94,590
Cash flows for financing activities					
Dividends paid		(39,845)	(62,545)	(39,845)	(62,545)
Payment of lease liabilities	(b)	(874)	(335)	-	-
Net drawdown from/(repayment of) borrowings	(d)	13,189	(1,506)	-	-
Purchase of own shares	12.2	(4,139)	(30,926)	(4,139)	(30,926)
Net cash for financing activities		(31,669)	(95,312)	(43,984)	(93,471)
Net (decrease)/increase in cash and cash equivalents					
		(631)	(25,296)	(3,152)	125
Effects of foreign exchange translation		(470)	(338)	-	-
Cash and cash equivalents at the beginning of financial year		15,852	41,486	3,475	3,350
Cash and cash equivalents at the end of financial year	(e)	14,751	15,852	323	3,475

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For The Financial Year Ended 30 June 2026 (cont'd)

CASH FLOW INFORMATION

(a) Cash disbursed for the purchase of property, plant and equipment and the additions of right-of-use assets:-

Group	2026 RM'000	2025 RM'000
Property, Plant and Equipment		
Cost of property, plant and equipment purchased (Note 3)	6,254	4,540
Right-of-use Assets		
Cost of right-of-use assets acquired	20,305	338
Less: Additions of new lease liabilities	(2,065)	(6)
Less: Deposit made in the previous financial year (Note 9.4)	(7,736)	-
	10,504	332

(b) Cash outflows for leases as a lessee:-

Group	2026 RM'000	2025 RM'000
Included in net cash from/(for) operating activities:		
Interest paid in relation to lease liabilities	48	54
Included in net cash for financing activities:		
Payment of lease liabilities (Note 14)	874	335
Total cash outflow for leases	922	389

(c) Reconciliations of movement in lease liabilities to cash flows arising from financing activities:-

Group	At 1 July 2025 RM'000	Acquisition of new lease RM'000	Exchange differences RM'000	Net changes from financing cash flows (Note (b)) RM'000	At 30 June 2026 RM'000
2026					
Lease liabilities	428	2,065	(52)	(874)	1,567

Group	At 1 July 2024 RM'000	Acquisition of new lease RM'000	Changes due to lease modification RM'000	Exchange differences RM'000	Derecognition due to lease modification RM'000	Net changes from financing cash flows (Note (b)) RM'000	At 30 June 2025 RM'000
2025							
Lease liabilities	455	6	367	(22)	(43)	(335)	428

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For The Financial Year Ended 30 June 2026 (cont'd)

CASH FLOW INFORMATION (CONT'D)

(d) Reconciliation of movement in borrowings to cash flows arising from financing activities:-

Group	At 1 July 2024 RM'000	(Repayment)/ Drawdown RM'000	At 30 June 2025 RM'000
Term loans	5,040	(630)	4,410
Hire purchase payables	649	323	972
	5,689	(307)	5,382

Group	At 1 July 2025 RM'000	Drawdown/ (Repayment) RM'000	At 30 June 2026 RM'000
Term loans	4,410	8,872	13,282
Revolving credit	-	5,000	5,000
Hire purchase payables	972	(683)	289
	5,382	13,189	18,571

(e) The cash and cash equivalents comprise the following:-

	Group		Company	
	2026 RM'000	2025 RM'000 (Restated)	2026 RM'000	2025 RM'000 (Restated)
Cash and bank balances	10,477	15,544	73	3,464
Short-term investments	109,972	89,366	6,724	4,404
	120,449	104,910	6,797	7,868
Less: Short-term investments not classified as cash and cash equivalents	(105,698)	(89,058)	(6,474)	(4,393)
	14,751	15,852	323	3,475

The annexed notes form an integral part of these financial statements.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

Pecca Group Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:-

Principal place of business

No. 1, Jalan Perindustrian Desa Aman 1A
Industri Desa Aman, Kepong
52200 W.P. Kuala Lumpur

Registered office

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

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as “Group” and individually referred to as the “Company”.

The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

Holding company

The holding company is MRZ Leather Holdings Sdn. Bhd., a company incorporated in Malaysia.

Principal activities

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 8 October 2026.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

1. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 1.1 During the current financial year, the Group and the Company have adopted the following amendments to accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)

Amendments to MFRS 121: Lack of Exchangeability

The adoption of the above accounting standard and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statement of the Group and of the Company.

- 1.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
MFRS 20 Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to MFRS 128: Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	1 January 2027
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application except for the following:-

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and their accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The Group and the Company are currently assessing the impact of implementing this new standard.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Critical Accounting Estimates and Judgements

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment and Right-of-use Assets

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment and right-of-use assets are based on commercial factors which could change significantly due to technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipate that the residual values of its property, plant and equipment and right-of-use assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets; therefore, future depreciation charges may be revised. The carrying amounts of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Note 3 and Note 4 to the financial statements respectively.

(b) Property, Plant and Equipment and Right-of-use Assets under Revaluation

Certain properties of the Group held under property, plant and equipment and right-of-use assets are reported at revalued amounts which are based on valuations performed by independent professional valuers. The valuers used judgement in determining the factors used in the valuation process and have also applied judgement in estimating prices for not readily observable external parameters by reference to the selling prices of recent transactions and asking prices of similar properties of nearby locations and where necessary, adjusting for tenure, location, size, market trends and others. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuations. The carrying amounts of related properties and right-of-use assets measured at revaluation as at the reporting date are disclosed in Note 3 and Note 4 to the financial statements respectively.

(c) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on their understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of current tax assets and current tax liabilities of the Group as at the reporting date are approximately RM54,000 and RM4,345,000 (2025: RM74,000 and RM3,056,000).

(d) Impairment of Property, Plant and Equipment and Right-of-use Assets

The Group and the Company determine whether an item of its property, plant and equipment and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods are used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Note 3 and Note 4 to the financial statements respectively.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.1 Critical Accounting Estimates and Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(e) Write-down of Inventories

Management periodically reviews damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amounts of inventories as at the reporting date are disclosed in Note 8 to the financial statements.

(f) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information, where applicable. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 9 to the financial statements.

(g) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amount of other receivables as at the reporting date is disclosed in Note 9 to the financial statements.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements.

2.2 Financial Instruments

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with any fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.2 Financial Instruments (Cont'd)

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

Treasury Shares

Treasury shares are recorded on initial recognition at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

2.3 Basis of Consolidation

The Group applies the acquisition method of accounting for all business combinations except for those involving entities under common control which are accounted for by applying the merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the financial statements of the Group at their carrying amounts reported in the individual financial statements. The consolidated statements of profit or loss and other comprehensive income reflect the results of the merger entities for the full reporting period (irrespective of when the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital of the merger entities is reflected within equity as merger deficit appropriate. The merger deficit is adjusted against suitable reserves of the merger entities to the extent that laws or statutes do not prohibit the use of such reserves.

2.4 Goodwill

Goodwill is initially measured at cost. Subsequent to initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

2.5 Investment in Subsidiaries

Investments in subsidiaries which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 Property, Plant and Equipment

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings are subsequently measured at valuation less any accumulated depreciation and any accumulated impairment losses.

The Group revalues its land and buildings every five (5) years and at a shorter interval whenever the fair value of the revalued assets is expected to differ materially from their carrying value. Additions subsequent to their revaluation are stated in the financial statements at costs until the next revaluation exercise.

Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Buildings	50 years
Plant and machineries	3 - 10 years
Motor vehicles	5 years
Office equipment	4 - 10 years
Furniture and fittings	10 years
Computers	2 - 5 years
Renovation	3 - 10 years

Capital work-in-progress included in property, plant and equipment are not depreciated until such time when the asset is available for use.

2.7 Right-of-use Assets and Lease Liabilities

(a) Short-term Leases and Leases of Low-value Assets

The Company apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.7 Right-of-use Assets and Lease Liabilities (Cont'd)

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost incurred in bringing the inventories to their present location and condition are accounted for as follows:-

- Raw materials: purchase costs of leather and certain non-leather materials purchased in batches are on first-in first-out basis while other materials are on weighted average basis.
- Finished goods: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Computers RM'000	Renovation RM'000	Capital work-in- progress RM'000	Total RM'000
Cost/Valuation									
At 1 July 2024	25,350	25,936	5,428	2,148	4,340	2,999	12,231	375	78,807
Additions	-	879	2,179	133	114	375	77	783	4,540
Disposals	-	(10)	(380)	-	(9)	-	-	-	(399)
Written offs	-	-	-	(4)	(1)	(7)	-	-	(12)
Reclassification	-	-	-	-	-	178	-	(178)	-
Exchange rate	-	(141)	-	(13)	-	-	(43)	(17)	(214)
At 30 June 2025/1 July 2025	25,350	26,664	7,227	2,264	4,444	3,545	12,265	963	82,722
Additions	-	3,121	460	231	22	188	2,177	55	6,254
Disposals	-	-	(651)	(3)	-	-	-	-	(654)
Written offs	-	(16)	-	(31)	(13)	(28)	(95)	-	(183)
Reclassification	-	170	-	-	-	-	-	(170)	-
Exchange rate	-	(219)	(3)	(17)	-	-	(53)	(34)	(326)
At 30 June 2026	25,350	29,720	7,033	2,444	4,453	3,705	14,294	814	87,813

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Buildings RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Computers RM'000	Renovation RM'000	Capital work-in- progress RM'000	Total RM'000
<i>Accumulated depreciation and Impairment losses</i>									
At 1 July 2024	507	19,629	2,500	1,785	3,513	1,944	7,274	-	37,152
Additions	507	1,869	938	153	179	468	932	-	5,046
Reversal of impairment losses	-	(1,484)	-	-	-	-	-	-	(1,484)
Disposals	-	(6)	(380)	-	(9)	-	-	-	(395)
Written offs	-	-	-	(2)	(1)	(7)	-	-	(10)
Exchange rate	-	(93)	-	(9)	-	-	(23)	-	(125)
At 30 June 2025/1 July 2025	1,014	19,915	3,058	1,927	3,682	2,405	8,183	-	40,184
Additions	507	1,980	1,188	162	159	498	1,035	-	5,529
Disposals	-	-	(650)	(3)	-	-	-	-	(653)
Written offs	-	(14)	-	(30)	(12)	(27)	(80)	-	(163)
Exchange rate	-	(144)	-	(13)	-	-	(44)	-	(201)
At 30 June 2026	1,521	21,737	3,596	2,043	3,829	2,876	9,094	-	44,696
Carrying amounts									
At 30 June 2025	24,336	6,749	4,169	337	762	1,140	4,082	963	42,538
At 30 June 2026	23,829	7,983	3,437	401	624	829	5,200	814	43,117

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Company	
	2026 RM'000	2025 RM'000
Computers		
Cost		
At 1 July 2025/2024 and 30 June	50	50
Accumulated depreciation		
At 1 July 2025/2024	16	6
Additions	10	10
At 30 June	26	16
Carrying amount		
At 30 June	24	34

The buildings were previously revalued by an independent professional valuer in 2023. The market values of these properties were determined by the valuer using the comparison and cost method based on the nature of the properties and the availability of suitable evidence. Surplus of RM5,380,000 arising from the revaluation, net of deferred tax, has been credited to other comprehensive income and accumulated in equity under the revaluation reserve.

Had the buildings been carried at historical cost less accumulated depreciation, the carrying amount of the buildings that would have been included in the financial statements at the end of the financial year would be as follows:-

	Group	
	2026 RM'000	2025 RM'000
Buildings		
At cost	17,161	17,161
Accumulated depreciation	(5,684)	(5,349)
	11,477	11,812

Fair Value Information

Fair value of the buildings are categorised as follows:-

	Group	
	2026 RM'000	2025 RM'000
Level 3 Fair Value		
Buildings	25,350	25,350

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Policy on Transfer between Levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer. As of the financial year end, there has been no transfer between all levels of fair value.

Valuation Process Applied by the Group

Level 3 Fair Value

Level 3 fair value is estimated using inputs with significant adjustments for the buildings. Fair values of buildings have been generally derived using the comparison and cost method.

Under the comparison method, sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size and location. The most significant unobservable input into this valuation approach is price per square foot of comparable properties.

Under the cost method, the building value is determined by the building layout, design and specification, cost of construction and depreciation.

4. RIGHT-OF-USE ASSETS

Group	Leasehold land RM'000	Buildings RM'000	Storage RM'000	Motor vehicle RM'000	Office equipment RM'000	Total RM'000
At 1 July 2024	22,927	576	95	19	-	23,617
Additions	332	-	-	-	6	338
Depreciation	(262)	(294)	(186)	(6)	(1)	(749)
Derecognition due to lease modification	-	(28)	-	-	-	(28)
Exchange differences	-	(37)	-	-	-	(37)
Modification of lease liabilities (Note 14)	-	-	367	-	-	367
At 30 June 2025/1 July 2025	22,997	217	276	13	5	23,508
Additions	18,240	2,065	-	-	-	20,305
Depreciation	(419)	(737)	(183)	(7)	(1)	(1,347)
Derecognition due to lease modification	-	-	-	*	-	*
Exchange differences	-	(60)	-	-	-	(60)
At 30 June 2026	40,818	1,485	93	6	4	42,406

* Amount less than RM1,000.

The leasehold land is amortised over the lease terms of 99 years.

The leasehold land was previously revalued by an independent professional valuer in 2023. The market value of the land was determined by the valuer using the comparison method based on the nature of the properties and the availability of suitable evidence. The surplus of RM2,820,000 arising from the revaluation, net of deferred tax, had been credited to other comprehensive income and accumulated in equity under the revaluation reserve.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

4. RIGHT-OF-USE ASSETS (CONT'D)

Had the leasehold land been carried at historical cost less accumulated depreciation, the carrying amount of the leasehold land would have been included in the financial statements at the end of the financial year would be as follows:-

	Group	
	2026 RM'000	2025 RM'000
Leasehold land		
At cost:-	30,782	13,352
Accumulated depreciation	(1,398)	(1,104)
	29,384	12,248

The Group has leased a number of office buildings for a period from 2 to 3 (2025: 2 to 3) years, with an option to renew the lease after that date. The Group is not allowed to sublease the office buildings.

The Group leases storage that runs for a period of two years, with an option to renew the lease after that date.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the portfolio of leased asset and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Fair Value Information

Fair value of the leasehold land is categorised as follows:-

	Group	
	2026 RM'000	2025 RM'000
Level 3 Fair Value		
Leasehold land		
At 1 July 2025/2024	23,200	23,200
Acquisition of additional land during the financial year	18,000	-
At 30 June	41,200	23,200

Policy on Transfer between Levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer. As of the financial year end, there has been no transfer between all levels of fair value.

Valuation Process Applied by the Group

Level 3 Fair Value

Level 3 fair value is estimated using inputs with significant adjustments for the leasehold land. Fair value of leasehold land has been generally derived using the comparison method.

Under the comparison method, sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size and location. The most significant unobservable input into this valuation approach is price per square foot of comparable properties.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

5. INVESTMENTS IN SUBSIDIARIES

	Company	
	2026 RM'000	2025 RM'000
Cost of investment	103,962	103,962
Less: Impairment losses	(111)	(111)
	103,851	103,851

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Principal Activities	Effective Ownership Interest and Voting Interest	
			2026 %	2025 %
Direct subsidiaries:-				
Pecca Aviation Services Sdn. Bhd.	Malaysia	Manufacturing, repair, refurbishment, distribution and installation of aircraft leather seat covers and other leather related products for commercial and private aircrafts.	100.00	100.00
Pecca Leather Sdn. Bhd. (“PLeather”)	Malaysia	Styling, manufacturing, distribution and installation of leather car seat covers, supply of leather cut pieces to the automotive upholstery industry and other services related to the automotive upholstery industry and manufacturing and distribution of healthcare products.	100.00	100.00
Evolusi Mobiliti Sdn. Bhd. (“EMSB”) [#]	Malaysia	Dormant.	30.00	30.00
Pecca EV Sdn. Bhd.	Malaysia	Dormant.	100.00	100.00
Pecca Plus Sdn. Bhd.	Malaysia	Dormant.	100.00	100.00
Pecca Leather (Thailand) Company Limited (“PThailand”) ^{##} [√]	Thailand	Dormant.	49.00 / 82.77	49.00 / 82.77
Indirect subsidiary:-				
PT Pecca Gemilang Indonesia (“PT Gemilang”) [^] [√]	Indonesia	Manufacturing and supply of upholstery leather car seat wrapping and seat cover.	80.00	80.00

Notes:-

[^] Interest held by Pecca Leather Sdn. Bhd..

[√] This subsidiary was audited by a firm other than member firms of Crowe Malaysia PLT, Malaysia.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

- # Although the Group owns less than half of the ownership interest in EMSB, the directors have determined that the Group has de facto control over this entity on the basis that the Group:
- i) entered into a shareholders' agreement with rest of the shareholders through which the Group is able to direct the relevant activities that significantly affect EMSB's returns;
 - ii) the shareholders' agreement also provides that the shareholders have agreed to grant the rights to the Company to appoint any additional directors of EMSB.
 - iii) historical shareholder attendance patterns, and the Group's practical ability to direct the relevant activities of EMSB without opposition from other shareholders;
 - iv) is exposed, or has rights, to variable returns from its involvement with EMSB; and
 - v) has the ability to use that power to affect those returns.

Accordingly, EMSB has been accounted for as a subsidiary and is consolidated in the Group's financial statements.

- ## Although the Group owns less than half of the ownership interest in PThailand, the directors have determined that the Group controls this entity on the basis that the Group:
- i) possesses 2,450 Class A shares with 5 voting rights per share which translates to a majority voting rights of 83% over PThailand;
 - ii) is exposed, or has rights, to variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity; and
 - iii) has current ability to direct the activities of the entity that significantly affect the investee's return.

5.1 The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2026 %	2025 %	2026 RM'000	2025 RM'000
PT Gemilang	20	20	571	681
Other individually immaterial subsidiaries			(128)	(113)
			443	568

5.2 Summarised financial information of the non-controlling interests in the relevant subsidiaries have not been presented as the related information is not individually material to the Group.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

6. OTHER INVESTMENTS

These comprise investments in club memberships, measured at fair value through profit or loss, which include an amount of RM367,500 (2025: RM367,500) paid for membership in a club registered in the name of a director of the Company.

7. GOODWILL

The carrying amount of goodwill is allocated to the subsidiary in Indonesia, PT Gemilang as the cash generating unit ("CGU").

The goodwill arose from the PLeather's acquisition of approximately 80.02% equity interest by PLeather in PT Gemilang in the year of acquisition.

The carrying amount of goodwill is not material to the Group. The directors have assessed the goodwill for indicators of impairment and are satisfied that no impairment loss is required as at the reporting date.

8. INVENTORIES

	Group	
	2026 RM'000	2025 RM'000
At cost:		
- raw materials	14,436	15,642
- finished goods	2,845	2,906
- work-in-progress	911	890
- goods in transit	5,752	4,386
	23,944	23,824
Recognised in profit or loss:-		
Inventories recognised as cost of sales	132,166	127,992
Inventories written back	(918)	(146)
Inventories written down	-	918
Inventories written off	-	26

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

9. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Trade receivables					
Amount due from third parties	9.1	35,846	37,535	-	-
Less: Allowance for impairment losses	24.4(iii)	(1,030)	(1,207)	-	-
		34,816	36,328	-	-
Amount due from related parties	9.1	85	154	-	-
		34,901	36,482	-	-
Non-trade receivables					
Amounts due from subsidiaries	9.2	-	-	3,903	3,141
Less: Allowance for impairment losses	24.4(iii)	-	-	(200)	(200)
		-	-	3,703	2,941
Amount due from holding company	9.2	-	1	-	-
Amount due from related parties	9.3	462	215	-	-
Other receivables		346	373	-	-
		808	589	3,703	2,941
Deposits	9.4	444	8,161	-	-
		36,153	45,232	3,703	2,941

9.1 The Group's normal trade credit terms range from 30 to 90 (2025: 30 to 90) days.

9.2 These are non-interest-bearing advances which are unsecured and repayable on demand.

9.3 These are non-trade balances which are unsecured, interest-free and repayable on demand.

9.4 Included in deposits at the end of the previous reporting period was an amount of approximately RM7,736,000, which was deposits paid to third parties for the acquisition of a piece of leasehold land. The amount has been reclassified to right-of-use assets during the financial year.

10. PREPAYMENTS

The prepayments of the Group mainly consist of advance payments made to suppliers for purchase of raw materials.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

11. SHORT-TERM INVESTMENTS

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Money market funds, at fair value	109,972	89,366	6,724	4,404

The money market funds represent investments in highly liquid money market instruments which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The Group determines whether such investments qualify as cash equivalents by applying the criteria set out in MFRS 107 *Statement of Cash Flows*. In assessing the maturity criterion, consideration is given to the maturity of the underlying instruments from the date of acquisition.

12. SHARE CAPITAL AND RESERVES

12.1 Share Capital

	Group and Company			
	2026	2025	2026	2025
	Number of shares ('000)		RM'000	
Issued and fully paid ordinary shares with no par value classified as equity instruments	752,000	752,000	135,702	135,702

Ordinary Shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company, except that all rights to the treasury shares are suspended until those shares are reissued.

12.2 Treasury Shares

	Group and Company			
	2026	2025	2026	2025
	Number of shares ('000)		RM'000	
At 1 July 2025/2024	24,724	217	30,986	60
Additions during the financial year	2,821	24,507	4,139	30,926
At 30 June	27,545	24,724	35,125	30,986

The shareholders of the Company, by a special resolution passed at the annual general meeting held on 20 November 2025, approved to renew the authority for the Company to repurchase its own shares. The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

12. SHARE CAPITAL AND RESERVES (CONT'D)

12.2 Treasury Shares (Cont'd)

During the financial year, the Company has purchased 2,820,800 (2025: 24,507,400) of its issued ordinary shares from the open market at an average price of RM1.47 (2025: RM1.26) per share. The total consideration paid for the purchase was RM4,138,356 (2025: RM30,926,277) including transaction costs. The ordinary shares purchased are held as treasury shares in accordance with Section 127(16) of the Companies Act 2016.

As at 30 June 2026, the Company held as treasury shares a total of 27,545,068 (2025: 24,724,268) of its issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM35,124,806 (2025: RM30,986,450).

12.3 Reserves

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Merger deficit	(60,822)	(60,822)	-	-
Translation reserve	(709)	(338)	-	-
Revaluation reserve	18,965	18,965	-	-
Other reserve	1	1	-	-
Retained earnings	157,905	145,943	13,629	9,833
	115,340	103,749	13,629	9,833

Merger Deficit

The merger deficit represents the difference between the cost of acquisition and the nominal value of the shares of subsidiaries acquired in prior years.

Translation Reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the foreign subsidiaries with functional currencies other than RM.

Revaluation Reserve

The revaluation reserve represents the surplus on revaluation of leasehold land and buildings of the Group, net of deferred tax.

Other Reserve

Other reserve represents cumulative actuarial gains and losses of a subsidiary arising from experience adjustments and changes in actuarial assumptions that have been charged or credited to other comprehensive income in the statements of other comprehensive income up to the reporting date.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

13. DEFERRED TAX LIABILITIES

Recognised Deferred Tax Assets/(Liabilities)

Deferred tax assets/(liabilities) are attributable to the following:-

Group	Assets		Liabilities		Net	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Revaluation surplus on leasehold land and buildings	-	-	(4,220)	(4,288)	(4,220)	(4,288)
Property, plant and equipment	-	-	(3,728)	(3,811)	(3,728)	(3,811)
Provisions	940	974	-	-	940	974
Other deductible/(taxable) temporary differences	79	(3)	-	-	79	(3)
Tax assets/(liabilities)	1,019	971	(7,948)	(8,099)	(6,929)	(7,128)
Set off against liabilities	(1,019)	(971)	1,019	971	-	-
Net tax liabilities	-	-	(6,929)	(7,128)	(6,929)	(7,128)

Movement in temporary differences during the financial year

Group	At 1.7.2024 RM'000	Recognised in profit or loss (Note 20) RM'000	At 30.6.2025/ 1.7.2025 RM'000	Recognised in profit or loss (Note 20) RM'000	At 30.6.2026 RM'000
Revaluation surplus of leasehold land and buildings	(4,358)	70	(4,288)	68	(4,220)
Property, plant and equipment	(4,036)	225	(3,811)	83	(3,728)
Provisions	2,652	(1,678)	974	(34)	940
Others	7	(10)	(3)	82	79
	(5,735)	(1,393)	(7,128)	199	(6,929)

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

13. DEFERRED TAX LIABILITIES (CONT'D)

Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross) due to uncertainty of their realisation are as follows:-

Group	2026 RM'000	2025 RM'000
Unutilised tax losses:		
- expires year of assessment 2028	562	562
- expires year of assessment 2030	620	620
- expires year of assessment 2031	300	300
- expires year of assessment 2032	523	523
- expires year of assessment 2033	641	641
- expires year of assessment 2034	995	995
- expires year of assessment 2035	280	216
- expires year of assessment 2036	780	-
Unabsorbed capital allowances	199	95
	4,900	3,952

The unutilised tax losses from a Year of Assessment ("YA") can only be carried forward to be utilised against future taxable income up to 10 (2025: 10) consecutive YA from the year in which the losses were incurred, whilst the unabsorbed capital allowances do not expire under the current tax legislation.

The unutilised tax losses at the end of the reporting period expire between 2029 to 2033 (2025: expire between 2029 to 2032). The deferred tax assets have not been recognised in respect of above because it is not probable that future taxable profits will be available against which the subsidiary having these losses can utilise the benefits therefrom.

14. LEASE LIABILITIES

	Group	
	2026 RM'000	2025 RM'000
At 1 July 2025/2024	428	455
Additions	2,065	6
Changes due to lease modification (Note 4)	*	367
Derecognition due to lease modification	-	(43)
Interest expenses recognised in profit or loss	48	54
Repayment of principal	(874)	(335)
Payment of interest expenses	(48)	(54)
Exchange difference	(52)	(22)
At 30 June	1,567	428
Analysed by:-		
Current liabilities	1,152	320
Non-current liabilities	415	108
	1,567	428

* Amount less than RM1,000.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

15. BORROWINGS

	Group	
	2026 RM'000	2025 RM'000
Non-current		
Hire purchase payables	56	289
Term loans	11,278	3,780
	11,334	4,069
Current		
Hire purchase payables	233	683
Revolving credit	5,000	-
Term loans	2,004	630
	7,237	1,313
	18,571	5,382

The details of the term loans are as follows:-

	Number of Monthly Instalments	Monthly Instalment RM	Date of Commencement of Repayment	2026 RM'000	2025 RM'000
Term loan 1	120	52,500	July 2022	3,780	4,410
Term loan 2	84	142,318	October 2025	9,502	-
				13,282	4,410

The hire purchase payables of the Group are secured by the related motor vehicles acquired under hire purchase with lease terms ranging from 1 to 3 (2025: 1 to 3) years, while the revolving credit has been secured by corporate guarantee from the Company.

Term Loans

- (a) The term loans are secured as follows:-
- (i) Corporate guarantees provided by the Company;
 - (ii) Legal charges over certain properties of the Group; and
 - (iii) Other securities as required by the respective financial institutions.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

15. BORROWINGS (CONT'D)

Term Loans (Cont'd)

(b) Following are the major term loan covenants:-

- (i) Maintenance of the existing shareholding structure and key operating subsidiaries of the Group;
- (ii) Restrictions on any material changes in the nature of the Group's business operations without prior approval from the lenders;
- (iii) Compliance with all terms and conditions stipulated under the facility agreements;
- (iv) Provision of periodic financial and operational information to the lenders; and
- (v) Notification to the lenders of any material adverse changes affecting the Group's financial position or business operations.

The covenants are tested as at 30 June. The Group has complied with covenants throughout the reporting periods.

There are no indicators that the Group would have difficulties complying with the upcoming covenant assessments.

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Trade				
Trade payables	16,706	16,144	-	-
Non-trade				
Other payables and accruals	3,901	4,000	198	179
	20,607	20,144	198	179

The normal credit term granted by the trade payables of the Group range from 30 - 90 (2025: 30 - 90) days.

17. REVENUE

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Revenue recognised at point in time (Note 17.1)				
Revenue from contracts with customers	221,985	224,500	-	-
Revenue from other sources				
Dividend income	-	-	44,400	58,400
	221,985	224,500	44,400	58,400

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

17. REVENUE (CONT'D)

17.1 Disaggregation of Revenue

Group	Automotive segment		Non-automotive segment		Total	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Primary geographical markets						
Malaysia	198,865	207,975	4,957	2,564	203,822	210,539
Asia Pacific	11,417	8,037	-	27	11,417	8,064
Europe	4,140	3,677	-	-	4,140	3,677
North America	1,926	1,806	-	-	1,926	1,806
Oceania	285	414	-	-	285	414
Middle East	395	-	-	-	395	-
	217,028	221,909	4,957	2,591	221,985	224,500
Revenue from:-						
Car seat covers	196,857	202,326	-	-	196,857	202,326
Other sales	9,188	8,165	1,879	-	11,067	8,165
Other services	10,983	11,418	3,078	2,591	14,061	14,009
	217,028	221,909	4,957	2,591	221,985	224,500

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

17. REVENUE (CONT'D)

17.2 Nature of Goods and Services

The following information reflects the typical transactions of the Group:-

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Warranty
Car seat covers	Revenue is recognised at a point in time when the goods are delivered and accepted by the customer.	Credit period ranges from 30 to 90 days (2025: 30 to 90 days) from invoice date.	Not applicable.	Assurance warranties of 3 to 5 years are given to customers.
Other sales	Revenue is recognised at a point in time when the goods are delivered and accepted by the customer.	Credit period ranges from 30 to 90 days (2025: 30 to 90 days) from invoice date.	Not applicable.	Assurance warranties of 3 to 5 years are given to customers.
Other services	Revenue is recognised at a point in time when the services are rendered.	Credit period ranges from 30 to 90 days (2025: 30 to 90 days) from invoice date.	Not applicable.	Not applicable.
Dividend income	Revenue is recognised when the right to receive payment is established.	Not applicable.	Not applicable.	Not applicable

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

18. FINANCE INCOME

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Interest income from money market unit trust investments	3,371	3,928	224	406
Interest income on financial assets at amortised costs, calculated using effective interest method	166	176	136	114
	3,537	4,104	360	520

19. PROFIT BEFORE TAXATION

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Profit before taxation is arrived at after charging/(crediting):-				
<i>Auditors' remuneration</i>				
Audit fees:				
- auditors of the Company	191	182	62	58
- other auditors	30	34	-	-
Non-audit fees:				
- auditors of the Company	8	7	8	7
Material Expenses/(Income)				
Depreciation of:				
- property, plant and equipment	5,529	5,046	10	10
- right-of-use assets	1,347	749	-	-
Dividend income from a subsidiary	-	-	(44,400)	(58,400)
(Gain)/Loss on foreign exchange:				
- realised	(266)	12	-	-
- unrealised	319	(38)	-	-
Impairment gain on property, plant and machineries	-	(1,484)	-	-
Inventories:				
- written back	(918)	(146)	-	-
- written down	-	918	-	-
- written off	-	26	-	-
Rental income	(388)	(401)	-	-
Staff costs:				
- defined contribution benefits	2,281	2,068	-	-
- wages, salaries, bonuses and others	37,913	33,506	389	306

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

19. PROFIT BEFORE TAXATION (CONT'D)

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Profit before taxation is arrived at after charging/(crediting) (Cont'd):-				
<i>Expenses arising from leases</i>				
Expenses relating to short-term leases	123	230	-	-
<i>Net Impairment gains on financial instruments</i>				
Financial assets at amortised costs	(177)	(26)	-	-

20. INCOME TAX EXPENSE

Recognised in Profit or Loss

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Current tax expense				
Current financial year	16,832	17,074	34	30
Underprovision in the previous financial years	111	34	*	*
	16,943	17,108	34	30
Deferred tax (income)/expense (Note 13)				
(Reversal)/Origination of temporary differences	(221)	1,373	-	-
Underprovision in the previous financial years	22	20	-	-
	(199)	1,393	-	-
Income tax expense	16,744	18,501	34	30

* Amount less than RM1,000

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

20. INCOME TAX EXPENSE (CONT'D)

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Reconciliation of income tax expense				
Profit before taxation	68,514	75,597	43,675	57,925
Income tax calculated using Malaysian tax rate of 24% (2025: 24%)	16,443	18,143	10,482	13,902
Non-deductible expenses	705	1,074	258	235
Non-taxable income	(767)	(889)	(10,706)	(14,107)
Deferred tax assets not recognised during the financial year	227	72	-	-
Differential in tax rates of foreign jurisdiction	3	47	-	-
Underprovision in the previous financial years:				
- current tax	111	34	*	*
- deferred tax	22	20	-	-
	16,744	18,501	34	30

* Amount less than RM1,000.

21. EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per ordinary share at the end of the reporting period was based on the profit of the Group attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:-

	Group	
	2026 RM'000	2025 RM'000
Profit after taxation attributable to owners of the Company	51,807	57,121

Weighted average number of ordinary shares outstanding

	No. of Shares	
	'000	'000
Issued ordinary shares at 1 July 2025/2024	752,000	752,000
Effect of weighted average treasury shares	(27,387)	(19,709)
Weighted average number of shares (basic) at 30 June	724,613	732,291

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

21. EARNINGS PER ORDINARY SHARE (CONT'D)

The calculation of basic earnings per ordinary share at the end of the reporting period was based on the profit of the Group attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows (Cont'd):-

	2026 Sen	2025 Sen
Basic earnings per ordinary share	7.15	7.80

Diluted earnings per ordinary share

The diluted earnings per share is equal to the basic earnings per share as there were no potential ordinary shares as at the end of either reporting period.

22. DIVIDENDS

Dividends recognised by the Company are as follows:-

	RM per share	Total amount RM'000	Date of payment
2026			
<u>In respect of the financial year ended 30 June 2025</u>			
Fourth interim single-tier dividend	0.0100	7,244	26 September 2025
<u>In respect of the financial year ended 30 June 2026</u>			
First interim single-tier dividend	0.0150	10,867	19 December 2025
Second interim single-tier dividend	0.0150	10,867	27 March 2026
Third interim single-tier dividend	0.0150	10,867	19 June 2026
		<u>39,845</u>	
2025			
<u>In respect of the financial year ended 30 June 2024</u>			
Fourth interim single-tier dividend	0.0150	11,126	20 September 2024
Special interim single-tier dividend	0.0150	10,948	13 December 2024
<u>In respect of the financial year ended 30 June 2025</u>			
First interim single-tier dividend	0.0150	10,948	20 December 2024
Second interim single-tier dividend	0.0150	10,948	21 March 2025
Third interim single-tier dividend	0.0100	7,298	20 June 2025
		<u>51,268</u>	

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

22. DIVIDENDS (CONT'D)

On 20 August 2026, the Company declared the following single-tier interim dividend in respect of the current financial year:-

	RM per share	Total amount RM'000	Date of payment
2026			
<u>In respect of the financial year ended 30 June 2026</u>			
Fourth interim single-tier dividend	0.0150	10,867	18 September 2026

The above dividend will be recognised in the financial year ending 30 June 2027.

The directors do not recommend any final dividend to be paid for the financial year ended 30 June 2026.

23. OPERATING SEGMENT

The Group's resources allocation is assessed on a quarterly basis in accordance to the business performance and requirements of the respective business segments as reviewed and determined by the Group's Chief Operating Decision Maker ("CODM") whom is also the Managing Director of the Group. Hence, segment information is presented by business segment that the Group operates in. The format of the business segment is based on the Group's operation management and internal reporting structure.

Non-automotive segments related to the Group's healthcare, aviation and furniture industry and the Company's investment holding activities. These segments do not meet the quantitative threshold as reportable reporting segments in 2026 and 2025.

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment asset and liability.

Segment capital expenditure is the total costs incurred during the financial year to acquire property, plant and equipment.

Business Segment

The Group comprises the following business segment:-

Automotive industry: Styling, manufacturing, distribution and installation of automotive leather upholstery for car seat covers and accessories covers.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

23. OPERATING SEGMENT (CONT'D)

	Group	
	Automotive	
	2026 RM'000	2025 RM'000
Revenue from:-		
Car seat covers	196,857	202,326
Others	20,171	19,583
	217,028	221,909
Segment profit before taxation	70,092	77,072
<i>Included in the measurement of segment profit before taxation are:-</i>		
Depreciation and amortisation	5,024	3,994
Net impairment losses/(gains) on trade receivables	235	(26)
<i>Not included in the measurement of segment profit before taxation but provided to Managing Director:-</i>		
Income tax expense	(16,710)	(18,448)

Geographical Segments

The Group operates primarily in Malaysia. In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers.

	Automotive	
	2026 RM'000	2025 RM'000
Malaysia	198,865	207,975
Asia Pacific	11,417	8,037
Europe	4,140	3,677
North America	1,926	1,806
Oceania	285	414
Middle East	395	-
	217,028	221,909

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

23. OPERATING SEGMENT (CONT'D)

Major Customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:-

	Automotive	
	2026 RM'000	2025 RM'000
Customer A	122,680	128,453
Customer B	50,995	53,331
	173,675	181,784

Reconciliations of Reportable Segment Revenues and Profit or Loss

	Group	
	2026 RM'000	2025 RM'000
Revenue		
Total revenue from automotive segment	217,028	221,909
Other non-automotive segments	4,957	2,591
Consolidated revenue	221,985	224,500
Profit or loss		
Total profit or loss from automotive segment	70,092	77,072
Other non-automotive segments	(1,578)	(1,475)
Consolidated profit before taxation	68,514	75,597

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

24. FINANCIAL INSTRUMENTS

24.1 Categories of Financial Instruments

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Financial Assets				
<u>Fair Value through Profit or Loss</u>				
Other investments (Note 6)	418	418	-	-
Short-term investments (Note 11)	109,972	89,366	6,724	4,404
	110,390	89,784	6,724	4,404
<u>Amortised Cost</u>				
Trade and other receivables (exclude deposits) (Note 9)	35,709	37,071	3,703	2,941
Cash and bank balances	10,477	15,544	73	3,464
	46,186	52,615	3,776	6,405
Financial Liability				
<u>Amortised Cost</u>				
Trade and other payables	(20,607)	(20,144)	(198)	(179)
Borrowings (Note 15)	(18,571)	(5,382)	-	-
	(39,178)	(25,526)	(198)	(179)

24.2 Net Gains and Losses Arising from Financial Instruments

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Financial Assets				
<u>Fair Value through Profit or Loss</u>				
Net gains recognised in profit or loss:				
- mandatorily required by MFRS 9 (Note 18)	3,371	3,928	224	406
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	150	45	136	114
	3,521	3,973	360	520
Financial Liability				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(344)	(73)	-	-

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.3 Financial Risk Management Policies

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

24.4 Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to a subsidiary. The Company monitors the results of the subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to amount owing by 2 customers (2025: 2) which constituted approximately 70% (2025: 74%) of its trade receivables (including a related party) at the end of the reporting period.

In addition, the Group also determines the concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables (including related parties and contract assets) at the end of the reporting period is as follows:-

Group	2026 RM'000	2025 RM'000
Malaysia	32,318	34,925
Asia Pacific	1,509	1,089
Europe	762	724
North America	935	898
Oceania	53	53
Middle East	354	-
	35,931	37,689

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to a subsidiary amounting to approximately RM18,282,000 (2025: RM4,410,000), representing the outstanding banking facilities of a subsidiary as at the end of the reporting period.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.4 Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an ongoing basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluate whether any of the financial assets at amortised cost is credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Group uses a more lagging past due criterion for certain trade receivables when it is more appropriate to reflect their loss patterns.

Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure expected credit losses on a collective basis, trade receivables (including related parties) has been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over a period of 12 months (2025: 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information that will affect the ability of the trade receivables to settle their debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.4 Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

Allowance for Impairment Losses

The reconciliations of allowance for impairment losses are as follows:-

Group	Non-credit Impaired RM'000	Credit Impaired RM'000	Total RM'000
<u>Trade Receivables</u>			
At 1 July 2024	277	967	1,244
Addition during the financial year	77	-	77
Reversal of impairment losses	-	(103)	(103)
Net impairment losses/(gains) (Note 19)	77	(103)	(26)
Written off as bad debt	-	(11)	(11)
At 30 June 2025/1 July 2025	354	853	1,207
Addition during the financial year	58	-	58
Reversal of impairment losses	(209)	(26)	(235)
Net impairment gains (Note 19)	(151)	(26)	(177)
At 30 June 2026	203	827	1,030

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.4 Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

Allowance for Impairment Losses (Cont'd)

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

Group	Gross Amount RM'000	Lifetime Individual Impairment RM'000	Lifetime Collective Impairment RM'000	Carrying Amount RM'000
2026				
Current (not past due)	30,644	-	(12)	30,632
1 - 30 days past due	1,508	-	(12)	1,496
31 - 60 days past due	320	-	(7)	313
61 - 90 days past due	76	-	(11)	65
More than 90 days past due	2,556	-	(161)	2,395
	35,104	-	(203)	34,901
Credit impaired				
Individually impaired	827	(827)	-	-
Trade receivables	35,931	(827)	(203)	34,901
2025				
Current (not past due)	34,038	-	(5)	34,033
1 - 30 days past due	1,479	-	(5)	1,474
31 - 60 days past due	533	-	(1)	532
61 - 90 days past due	280	-	(5)	275
More than 90 days past due	506	-	(338)	168
	36,836	-	(354)	36,482
Credit impaired				
Individually impaired	853	(853)	-	-
Trade receivables	37,689	(853)	(354)	36,482

Trade receivables that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.4 Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Cash and Bank Balances

The Group considers the licensed banks to be of low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and is therefore not provided for.

Other Receivables and Amount Due from Related Parties

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by related parties.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

No expected credit loss is recognised on other receivables as it is negligible.

Amount Due from Subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries to be low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. This is because the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are unable to pay when demanded.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.4 Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Due from Subsidiaries (Cont'd)

For loans and advances that are repayable on demand, impairment losses are assessed on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

Company	Company	
	2026 RM'000	2025 RM'000
At 30 June	200	200

The allowance for impairment losses is individually determined and relates to subsidiaries of "non-performing" category who are in significant financial difficulties and have defaulted on payments.

There has not been any significant change in the gross amounts of amount owing by subsidiaries that impacted the allowance for impairment losses.

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.5 Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payment computed based on the rate at the end of the reporting period):-

Group	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	More Than 5 Years RM'000
2026						
<u>Non-derivative financial liabilities</u>						
Hire purchase payables	5.29 - 6.42	289	298	240	58	-
Revolving credit	5.32	5,000	5,000	5,000	-	-
Term loans	3.75 - 4.88	13,282	15,016	2,508	12,080	428
Trade and other payables	-	20,607	20,607	20,607	-	-
Lease liabilities	3.31 - 5.32	1,567	1,752	1,072	680	-
		40,745	42,673	29,427	12,818	428

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.5 Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payment computed based on the rate at the end of the reporting period) (Cont'd):-

Group	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	More Than 5 Years RM'000
2025						
<u>Non-derivative financial liabilities</u>						
Hire purchase payables	5.13 - 6.42	972	1,007	706	301	-
Term loan	5.05	4,410	5,002	786	3,573	643
Trade and other payables	-	20,144	20,144	20,144	-	-
Lease liabilities	3.31 - 4.50	428	440	330	110	-
		25,954	26,593	21,966	3,984	643

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.5 Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payment computed based on the rate at the end of the reporting period) (Cont'd):-

Company	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	More Than 5 Years RM'000
2026						
Non-derivative financial liabilities						
Other payables (Note 16)	-	198	198	198	-	-
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	-	13,282*	13,282	-	-
		198	13,480	13,480	-	-

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.5 Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payment computed based on the rate at the end of the reporting period) (Cont'd):-

Company	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	More Than 5 Years RM'000
2025						
<u>Non-derivative financial liabilities</u>						
Other payables (Note 16)	-	179	179	179	-	-
Financial guarantee contracts in relation to corporate guarantee given to subsidiary	-	-	4,410*	4,410	-	-
		179	4,589	4,589	-	-

* The potential exposure of the financial guarantee contracts is equivalent to the outstanding amount of the credit facilities of the said subsidiary at the end of the reporting period. The financial guarantees have not been recognised in the financial statements because their fair values on initial recognition were not material.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.6 Market Risk (Cont'd)

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD") and Euro ("EUR"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

Group	Denominated in			
	USD RM'000	SGD RM'000	EUR RM'000	Total RM'000
2026				
Balances recognised in the statements of financial position				
Trade receivables	1,736	69	569	2,374
Cash and bank balances	1,274	185	720	2,179
Trade payables	(6,569)	-	(15)	(6,584)
Net financial (liabilities)/assets	(3,559)	254	1,274	(2,031)
Less: Forward foreign currency contracts (contracted notional principal)	6,569	-	-	6,569
Net exposure	3,010	254	1,274	4,538

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.6 Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below (Cont'd):-

Foreign Currency Exposure (Cont'd)

Group	Denominated in			
	USD RM'000	SGD RM'000	EUR RM'000	Total RM'000
2025				
Balances recognised in the statements of financial position				
Trade receivables	905	267	727	1,899
Cash and bank balances	595	1,294	966	2,855
Trade payables	(6,950)	-	(12)	(6,962)
Net financial (liabilities)/assets	(5,450)	1,561	1,681	(2,208)
Less: Forward foreign currency contracts (contracted notional principal)	6,950	-	-	6,950
Net exposure	1,500	1,561	1,681	4,742

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group does not have a material impact on the profit after taxation and equity of the Group and of the Company and hence, no sensitivity analysis is presented.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.6 Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate receivables and borrowing are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither their carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 24.5 to the financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonable possible change in the interest rates on the Group's borrowings of the floating rate term loan at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.7 Fair Value Information

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

Group	Fair value of financial instruments carried at fair value		Fair value of financial instruments not carried at fair value		Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 1 RM'000	Level 2 RM'000		
2026						
<u>Financial assets</u>						
Short-term investments:						
- Money market funds	-	109,972	-	-	109,972	109,972
Club memberships	-	418	-	-	418	418
	-	110,390	-	-	110,390	110,390
<u>Financial liabilities</u>						
Term loans:						
- floating rate	-	-	-	13,282	13,282	13,282
Hire purchase payables	-	-	-	289	289	289
Revolving credit	-	-	-	5,000	5,000	5,000
	-	-	-	18,571	18,571	18,571

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.7 Fair Value Information (Cont'd)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

Group	Fair value of financial instruments carried at fair value		Fair value of financial instruments not carried at fair value		Total fair value	Carrying amount
	Level 1	Level 2	Level 1	Level 2		
	RM'000	RM'000	RM'000	RM'000		
2025						
Financial assets						
Short-term investments:						
- Money market funds	-	89,366	-	-	89,366	89,366
Club memberships	-	418	-	-	418	418
	-	89,784	-	-	89,784	89,784
Financial liabilities						
Term loan:						
- floating rate	-	-	-	4,410	4,410	4,410
Hire purchase payables	-	-	-	972	972	972
	-	-	-	5,382	5,382	5,382

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.7 Fair Value Information (Cont'd)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

Company	Fair value of financial instruments carried at fair value		Fair value of financial instruments not carried at fair value		Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 1 RM'000	Level 2 RM'000		
2026						
<u>Financial assets</u>						
Short-term investments:						
- Money market funds	-	6,724	-	-	6,724	6,724
2025						
<u>Financial assets</u>						
Short-term investments:						
- Money market funds	-	4,404	-	-	4,404	4,404

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.7 Fair Value Information (Cont'd)

(a) Fair Value of Financial Instruments Carried at Fair Value

The fair values above have been determined using the following basis:-

- (i) The fair value of short-term investments are their last quoted bid price by the fund managers at the end of the reporting period.
- (ii) The fair value of club membership is estimated by the market value as per the published price in the current club prospectus and publicly available information.

There were no transfers between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values above have been determined using the following basis:-

- (i) The fair value of the term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.
- (ii) The fair value of hire purchase payables that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The annual interest rates used to discount the estimated cash flows are as follows:-

	Group	
	2026 %	2025 %
Hire purchase payables	5.29 - 6.42	5.13 - 6.42

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

25. CAPITAL RISK MANAGEMENT

The Group and the Company manage their capital to ensure that entities within the Group and the Company will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, return of capital to shareholders or issuing new shares.

The Group and the Company monitor and maintain a prudent level of total debt to total equity ratio to optimise shareholder(s) value and to ensure compliance with debt covenants and regulatory, if any.

	2026 RM'000	2025 RM'000
Lease liabilities (Note 14)	1,567	428
Hire purchase payables (Note 15)	289	972
Term loans (Note 15)	13,282	4,410
Revolving credit	5,000	-
	20,138	5,810
Less: Cash and cash equivalents	(14,751)	(15,852)
Net debt	5,387	(10,042)
Total equity	216,360	209,033
Debt-to-equity ratio	0.02	*

* Not applicable as the Group's cash and cash equivalents exceed their borrowings.

There was no changes in the approach to capital management during the financial year.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

26. CAPITAL AND OTHER COMMITMENTS

	Group	
	2026 RM'000	2025 RM'000
Capital expenditure commitments		
<i>Purchase of property, plant and equipment:</i>		
- contracted but not provided for	28,007	39,102

27. RELATED PARTY DISCLOSURES

(a) Holding Company and Subsidiaries

The holding company is MRZ Leather Holdings Sdn. Bhd., a company incorporated in Malaysia.

The subsidiaries are disclosed in Note 5 to the financial statements.

(b) Significant Related Party Transactions and Balances

In addition to the related party transactions information disclosed in the Note 9 to the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Transactions with:-				
(i) Subsidiaries				
Dividends distributed by a subsidiary	-	-	44,400	58,400
Interest charged to a subsidiary	-	-	119	87
(ii) Companies substantially owned by certain directors				
Sales to related parties	181	194	-	-
Rental of premises charged to related parties	388	399	-	-
Management fees charged to related parties	194	90	-	-

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

28. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
(i) Directors				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	414	336	354	276
- salaries, bonuses and other benefits	1,934	2,273	36	30
	2,348	2,609	390	306
Defined contribution benefits	227	196	-	-
Total remuneration of the directors of the Company	2,575	2,805	390	306
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:				
- fees	60	60	-	-
- salaries, bonuses and other benefits	621	346	-	-
Defined contribution benefits	39	42	-	-
Total remuneration of the directors of the subsidiaries	720	448	-	-
Total directors' remuneration	3,295	3,253	390	306
(ii) Other Key Management Personnel				
Short-term employee benefits	1,162	2,783	-	-
Defined contribution benefits	139	333	-	-
Total compensation for other key management personnel	1,301	3,116	-	-
Total key management personnel compensation	4,596	6,369	390	306

Other key management personnel comprise persons other than the directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026 (cont'd)

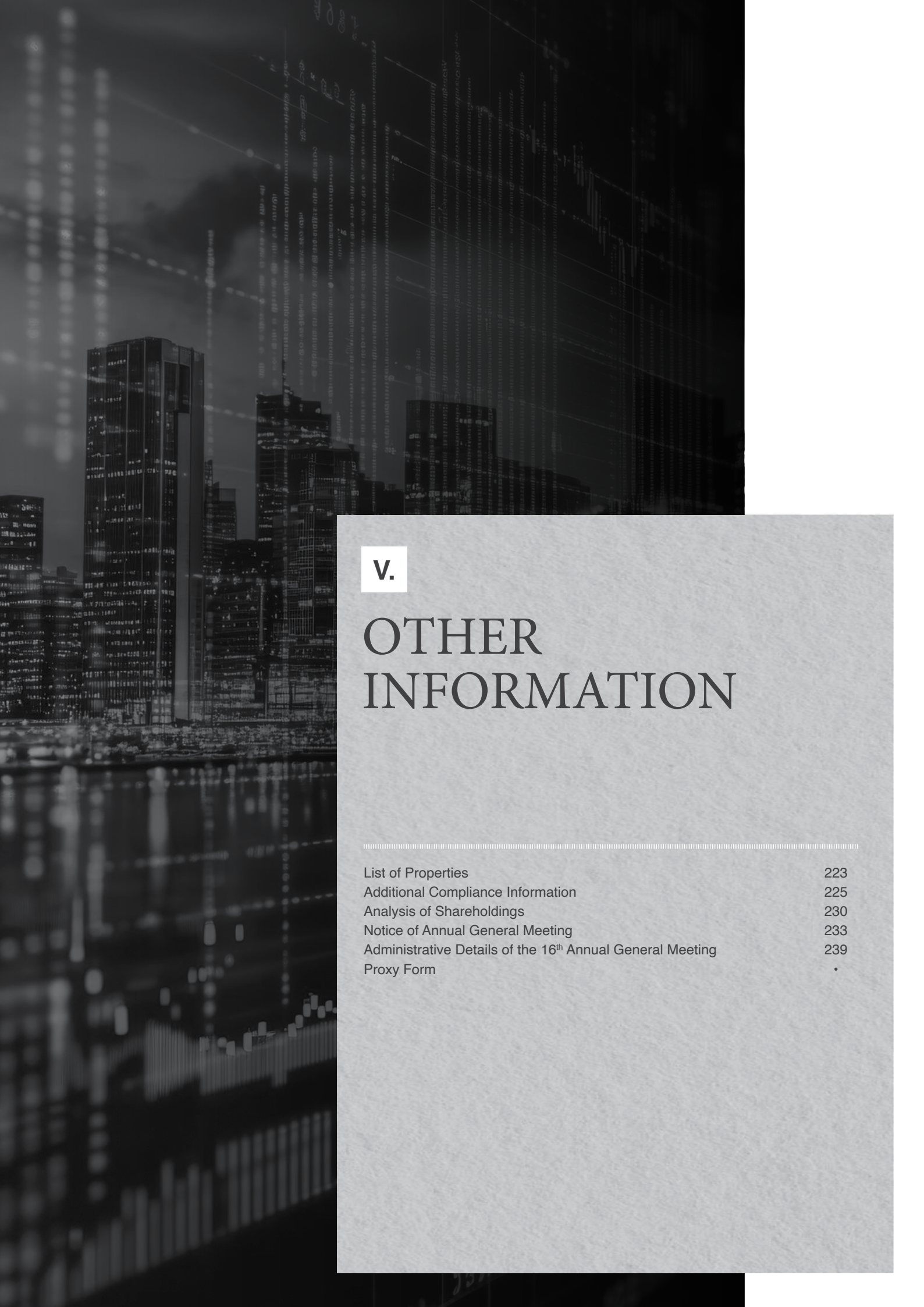
29. COMPARATIVE FIGURES

During the current financial year, the Group reassessed the classification of certain investments in money market funds included within cash and cash equivalents. Based on the reassessment, certain investments with maturities of more than three months from the date of acquisition have been presented separately from cash and cash equivalents in accordance with MFRS 107 *Statement of Cash Flows*.

Accordingly, the comparative figures in the statement of cash flows have been reclassified to conform with the current year's presentation. This reclassification has no impact on the Group's total assets, total equity or profit or loss.

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Previously Reported RM'000	As Restated RM'000
Statements of Cash Flows (Extract):-		
The Group		
2025		
Net cash (for)/from investing activities	(703)	22,435
Net decrease in cash and cash equivalents	(48,434)	(25,296)
Cash and cash equivalents at beginning of the financial year	153,682	41,486
Cash and cash equivalents at end of the financial year	104,910	15,852
The Company		
2025		
Net cash from investing activities	69,832	94,590
Net (decrease)/increase in cash and cash equivalents	(24,633)	125
Cash and cash equivalents at beginning of the financial year	32,501	3,350
Cash and cash equivalents at end of the financial year	7,868	3,475



V.

OTHER INFORMATION

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List of Properties

No.	Location	Tenure	Year Lease Expiring	Approximate Area (sq ft)	Description/ Existing Use	Age/Year of Acquisition/ Certificate of Completion	Net Book Value as at 30.06.2026 (RM)	Market Value/ Last Revaluation Date (RM)
1.	No.1, Jalan Perindustrian Desa Aman 1A, Industri Desa Aman, Kepong, 52200 Kuala Lumpur. H.S. (M) 24691, Lot PT No. 2034, Locality of Desa Aman, Bandar Sungai Buloh, District of Gombak, State of Selangor Darul Ehsan.	Leasehold 99 years	4 August 2107	72,506 sq ft (land area) (i) 22,169 sq ft (Built-up area for 4-storey office building with a mezzanine floor) (ii) 109,673 sq ft (Built-up area for 5-storey flatted factory building) (iii) 48,262 sq ft (Built-up area for 6-storey hostel building) (iv) 103 sq ft (Built-up area for guard house) & 1,163 sq ft (Built-up area for carpark shed)	1 unit of 4-storey office building with a mezzanine floor annexed to a 5-storey flatted factory building and a 6-storey hostel building together with a guardhouse/ carpark shed Head office and production factory of our Group	15 years/ 5 January 2011 (for 4-storey office and 5-storey factory) 21 June 2011 (for 6-storey hostel)	36,807,791	38,800,000/ 30.06.2023

List of Properties

No.	Location	Tenure	Year Lease Expiring	Approximate Area (sq ft)	Description/ Existing Use	Age/Year of Acquisition/ Certificate of Completion	Net Book Value as at 30.06.2026 (RM)	Market Value/ Last Revaluation Date (RM)
2.	B-5-1, 5 th Floor, Block B, Damansara Sutera Apartment, Persiaran KIP Utama, Kipark Damansara, 52200 Kuala Lumpur. Strata Title No. Geran 58055/ M2/6/178, Parcel No. 178, Storey No.6, Building No. M2, Parent Lot No. 2854, Town of Kepong, District of Gombak, State of Selangor Darul Ehsan.	Freehold	-	850 sq ft (Built-up area)	1 unit of 3-bedroom apartment/ Staff accommodation	15 years/ 2 December 2010	329,000	350,000/ 30.06.2023
3.	No. Hakmilik H.S. (D) 64630, PT 18112 Seksyen 20, Bandar Serendah, Daerah Ulu Selangor, Selangor Darul Ehsan.	Leasehold 99 years	6 July 2122	187,744 sq ft (land area)	Industrial land	4 years/ 12 January 2022	9,427,142	9,400,000/ 30.06.2023
4.	No. Hakmilik H.S. (D) 64635, PT 18117 Seksyen 20, Bandar Serendah, Daerah Ulu Selangor, Selangor Darul Ehsan.	Leasehold 87 years	7 July 2109	272,860 sq ft (land area)	Industrial land	1 year/ 12 March 2025	18,082,724	18,000,000/ 05.03.2025

Additional Compliance Information

1. Utilisation of Proceeds raised from Corporate Proposal

Pecca was listed on the Main Market of Bursa Malaysia on 19 April 2016. In conjunction with the listing, the Company undertook a public issue of 47,796,000 new ordinary shares of RM0.50 each at an issue price of RM1.42 per share, raising gross proceeds of RM67.87 million.

As announced on 23 April 2018, the Board has approved the variation of the utilisation of IPO proceeds amounting to RM6.60 million and the extension of time for utilisation of IPO proceeds amounting to RM2.62 million for another 24 months from 19 April 2018. After due deliberation, the Board intends to undertake the variations to vary the utilisation of proceeds for working capital and extend the frame to another 24 months from 19 April 2020 to 19 April 2022. In view of the COVID-19 pandemic and Movement Control Order enforced by the Government in March 2020 until the endemic which was announced in April 2022, the Board has approved to further extended the timeframe for utilisation of the proceeds for working capital for another 24 months from 19 April 2022 to 19 April 2024. Further extension of time for another 24 months from 19 April 2024 to 19 April 2026 has been approved by the Board because the REM segment is expanding to more export markets such as US, Middle East and Thailand.

In view of the Group's ongoing REM segment expansion plans, which now extend beyond the Malaysian market to include additional countries such as Saudi Arabia, Australia, the United Kingdom, Canada, New Zealand, and the European region, the Board has approved a further extension of time for another 24 months, from 19 April 2026 to 19 April 2028.

The status of utilisation of the proceeds from the public issue of 47,796,000 new ordinary shares at RM1.42 per share as at FY2026 is as follows:

Purposes	Revised Expected Timeframe for Utilisation (from 19 April 2026)	Revised Amount (RM'000)	Actual Utilisation (RM'000)	Utilised (%)
a) Working capital	-	27,859	(27,859)	100
b) Repayment of bank borrowings	-	17,100	(17,100)	100
c) Purchase of machineries for the production of car leather seat covers	Within 24 months	4,871	(4,871)	100
d) Construction of an additional storey of production floor area on the existing factory building	-	5,000	(5,000)	100
e) Opening of retail outlets	-	-	-	-
f) Establishment of market presence in Thailand	Within 24 months	-	-	-
g) Expansion of aviation business	Within 24 months	834	(834)	100
h) Estimated listing expenses	-	4,111	(4,111)	100
i) Purchase of raw material	-	5,350	(5,350)	100
j) Selling and distribution expenses of:				
- Retail	Within 24 months	2,000	(565)	28
- Thailand	Within 24 months	-	-	-
- Aviation	Within 24 months	745	(745)	100
Total Public Issue Proceeds		67,870	(66,435)	98

Additional Compliance Information

2. Material Contracts

There were no material contracts subsisting or entered into by the Company or its subsidiaries involving the interests of any directors, chief executive, or major shareholders of the Company or any persons connected to a director, chief executive or major shareholder of the Company during FY2026.

3. Recurring Related Party Transactions (“RRPTs”)

The below transaction entered into were in the ordinary course of business and are on terms and conditions not more favourable to the related party than those generally available to the public. The details of the RRPTs for FY2026 are as follows:

Related Parties	Interested Directors/ Substantial Shareholders	Interest in Our Group	Nature of Transaction	Actual Value (RM)
Tint Auto (M) Sdn. Bhd.	Datuk Teoh Hwa Cheng	Director and substantial shareholder of Pecca	Rental of partial production area located at 3 rd Floor, No. 1, Jalan Perindustrian Desa Aman 1A, Industri Desa Aman, Kepong, 52200 Kuala Lumpur from Pecca Leather Sdn. Bhd. to Tint Auto (M) Sdn. Bhd.	216,000
	Datin Sam Yin Thing	Director and substantial shareholder of Pecca	Management service	165,000
	Teoh Zi Yi	Director of Pecca Son of Datuk Teoh Hwa Cheng and Datin Sam Yin Thing	Supply of car seat cover and car accessories	290
	Teoh Zi Yuen	Director of Pecca Daughter of Datuk Teoh Hwa Cheng and Datin Sam Yin Thing		
Rentas Health Sdn. Bhd.	Teoh Zi Yuen	Director of Pecca Daughter of Datuk Teoh Hwa Cheng and Datin Sam Yin Thing	Rental of partial office area located at Penthouse, No. 1, Jalan Perindustrian Desa Aman 1A, Industri Desa Aman, Kepong, 52200 Kuala Lumpur from Pecca Leather Sdn. Bhd. to Rentas Health Sdn. Bhd.	60,000
	Datuk Teoh Hwa Cheng	Director and substantial shareholder of Pecca	Rental of warehouse, No. 7, Jalan KIP 11, Taman Perindustrian KIP, 52200 Sri Damansara, Kuala Lumpur from Pecca Leather Sdn. Bhd. to Rentas Health Sdn. Bhd.	111,600
			Supply of PPE products	144,939
			Management services	24,000
Pecman Sdn. Bhd.	Teoh Zi Yi	Director of Pecca Son of Datuk Teoh Hwa Cheng and Datin Sam Yin Thing	Supply of car seat cover and car accessories	1,530
	Teoh Zi Yuen	Director of Pecca Daughter of Datuk Teoh Hwa Cheng and Datin Sam Yin Thing	Management services	4,633

Additional Compliance Information

Related Parties	Interested Directors/ Substantial Shareholders	Interest in Our Group	Nature of Transaction	Actual Value (RM)
Jacar Sdn. Bhd.	Datuk Teoh Hwa Cheng	Director and substantial shareholder of Pecca	Supply of car seat cover and car accessories	30,011
	Teoh Zi Yuen	Director of Pecca Daughter of Datuk Teoh Hwa Cheng and Datin Sam Yin Thing		
Tint Auto Marketing Sdn. Bhd.	Datuk Teoh Hwa Cheng	Director and substantial shareholder of Pecca	Supply of car seat cover and car accessories	4,091
	Datin Sam Yin Thing	Director and substantial shareholder of Pecca		
	Teoh Zi Yuen	Director of Pecca Daughter of Datuk Teoh Hwa Cheng and Datin Sam Yin Thing		

4. Allocation of Share Scheme for Employees

The ESOS was approved by shareholders during the Extraordinary General Meeting held on 28 June 2019. The ESOS committee was established on 23 August 2019.

5. Audit and Non-Audit Fees

	Company (RM)	Group (RM)
Audit fee paid or payable to the external auditors, Messrs. Crowe Malaysia PLT ("Crowe Malaysia")	62,000	191,000
Non-audit fee paid or payable to Crowe Malaysia, or local affiliates to Crowe Malaysia (Note 1)	8,000	8,000

Note 1 The amount disclosed included non-audit fees incurred for reviewing the SORMIC and other information included in the IAR FY2026.

Additional Compliance Information

6. Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Asset

Total Income	Remarks	Group	
		2026 RM'000	2025 RM'000
Revenue		221,985	224,500
Finance income		3,537	4,104
Other income		1,049	753
Total		226,571	229,357
Total Assets		268,407	245,196

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2026 RM'000	2025 RM'000
Interest income		2,034	2,218
Total		2,034	2,218

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2026 RM'000	2025 RM'000
Cash in hand		40	42
Cash at bank (exclude cash in hand)		7,439	6,861
Money market instruments		42,148	37,500
Total		49,627	44,403

Conventional Account/Instruments	Remarks	Group	
		2026 RM'000	2025 RM'000
Cash at bank (exclude cash in hand)		2,997	7,334
Deposits with licensed bank		800	1,306
Money market instruments		67,025	51,867
Total		70,822	60,507

Additional Compliance Information

(ii) Debt Component

		Group	
		2026 RM'000	2025 RM'000
Islamic Financing	Remarks		
Current			
Term financing		630	630
Revolving credit and financing		5,000	-
Islamic hire purchase payables		113	167
Non-Current			
Term financing		3,150	3,780
Islamic hire purchase payables		56	169
Total		8,949	4,746

		Group	
		2026 RM'000	2025 RM'000
Conventional Borrowing	Remarks		
Current			
Term loans		1,374	-
Hire purchase payables		120	516
Non-Current			
Term loans		8,128	-
Hire purchase payables		-	120
Total		9,622	636

Analysis of Shareholdings

as at 30 September 2026

Issued Shares	:	752,000,000 (including shares held as treasury shares)
Treasury Shares	:	27,545,068
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

Distribution of Shareholdings

Size of holdings	No. of holders	%	No. of shares	%
1 – 99	613	25.24	27,822	0.01
100 – 1,000	569	23.43	244,011	0.03
1,001 – 10,000	671	27.62	3,173,138	0.44
10,001 – 100,000	383	15.77	12,281,255	1.69
100,001 to 36,222,746 (*)	191	7.86	335,653,174	46.33
36,222,747 and above (**)	2	0.08	373,075,532	51.50
Total	2,429	100.00	724,454,932	100.00

Remark:

* Less than 5% of issued shares

** 5% and above of issued shares

Substantial Shareholders

(as per Register of Substantial Shareholders as at 30 September 2026)

Name	No. of shares held			
	Direct	% [#]	Indirect	% [#]
MRZ Leather Holdings Sdn. Bhd.	373,075,532	51.50	-	-
Datuk Teoh Hwa Cheng	24,367,296	3.36	373,075,532*	51.50
Datin Sam Yin Thing	54,772,276	7.56	373,075,532*	51.50

Notes:

* Deemed interested in shares held by MRZ Leather Holdings Sdn. Bhd. pursuant to Sections 8 of the Companies Act 2016.

[#] Excluding a total of 27,545,068 shares bought back by the Company and retained as treasury shares as at 30 September 2026.

Analysis of Shareholdings

as at 30 September 2026

Directors' Shareholdings

(as per Register of Directors' Shareholdings as at 30 September 2026)

Name	No. of shares held			
	Direct	% [#]	Indirect	% [#]
Tan Sri Dato' Setia Mazlan Bin Mansor	-	-	-	-
Datuk Teoh Hwa Cheng	24,367,296	3.36	373,075,532*	51.50
Datin Sam Yin Thing	54,772,276	7.56	373,075,532*	51.50
Teoh Zi Yi	1,293,032	0.18	-	-
Teoh Zi Yuen	-	-	-	-
Datuk Leong Kam Weng	435,364	0.06	-	-
Dato' Seri Dr. Chen Chaw Min	1,700,048	0.23	-	-
Yong Hui Nee	-	-	-	-

Notes:

* Deemed interested in shares held by MRZ Leather Holdings Sdn. Bhd. pursuant to Sections 8 of the Companies Act 2016.

Excluding a total of 27,545,068 shares bought back by the Company and retained as treasury shares as at 30 September 2026.

List of Thirty Largest Shareholders as at 30 September 2026

No.	Name	No. of shares	Percentage holding (%) [*]
1.	MRZ LEATHER HOLDINGS SDN. BHD.	198,929,192	27.46
2.	MRZ LEATHER HOLDINGS SDN. BHD.	174,146,340	24.04
3.	PERTUBUHAN KESELAMATAN SOSIAL PKSACT41969 P2	29,581,900	4.08
4.	RHB BANK BERHAD	26,278,000	3.63
5.	TEOH HWA CHENG	21,367,296	2.95
6.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SAM YIN THING (7005713)	20,529,700	2.83
7.	MAYBANK SECURITIES NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR MAYBANK SECURITIES PTE. LTD. (69540)	15,425,900	2.13
8.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SAM YIN THING (MY4178)	15,253,644	2.11
9.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SAM YIN THING (MY4369)	13,973,300	1.93
10.	LEE YEE SUM	11,067,284	1.53
11.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM BOON HUA (7013268)	8,494,000	1.17
12.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM CHENG LING (7002620)	8,140,000	1.12
13.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. AMBANK (M) BERHAD	7,802,000	1.08

Analysis of Shareholdings

as at 30 September 2026

List of Thirty Largest Shareholders as at 30 September 2026 (Cont'd)

No.	Name	No. of shares	Percentage holding (%) [*]
14.	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE EU JIN	6,220,300	0.86
15.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOH KUN CHUAN (7000351)	5,823,600	0.80
16.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	5,579,400	0.77
17.	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHOONG WAI HOONG	5,020,000	0.69
18.	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHONG NYOK YOONG	4,864,196	0.67
19.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG CHOONG LOONG (7017617)	4,814,800	0.66
20.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KIM PIAU (7007611)	3,966,044	0.55
21.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KIM PIAU (MY2525)	3,454,900	0.48
22.	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM BOON HUA	3,000,000	0.41
23.	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEOH HWA CHENG	3,000,000	0.41
24.	TAN SOON KAR	2,904,648	0.40
25.	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SAM CHEE SIONG	2,614,000	0.36
26.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE GAIK CHENG	2,470,000	0.34
27.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG MIN LIN (7015258)	2,420,000	0.33
28.	CITIGROUP NOMINEES (ASING) SDN. BHD. UBS AG	2,407,282	0.33
29.	N SUVENDRA A/L S NAKENDRA	2,360,100	0.33
30.	LEE NGA JING	2,300,136	0.32
Total		614,207,962	84.78

* Excluding a total of 27,545,068 shares bought back by the Company and retained as treasury shares as per Record of Depositors as at 30 September 2026.

Notice of Annual General Meeting



Registration No. 201001025617 (909531-D)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting ("16th AGM") of Pecca Group Berhad ("PECCA" or the "Company") will be held at The Da Vinci Room, Level 2, Portrait Hotel at Empire City, No. 8, Jalan PJU 8, Empire City, 47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 18 November 2026 at 2.30 p.m. for the following purposes:

AGENDA

As Ordinary Business

- | | |
|---|---|
| 1. To receive the Audited Financial Statements for the financial year ended 30 June 2026 together with the Reports of the Directors and Auditors thereon. | (Please refer to Note 1 of the Explanatory Notes) |
| 2. To approve the payment of Directors' fees and benefits payable to the Directors of the Company and its subsidiaries of up to RM578,500.00 from 19 November 2026 until the conclusion of the next AGM of the Company. | Ordinary Resolution 1 |
| 3. To re-elect Teoh Zi Yi who is to retire pursuant to Clause 97 of the Company's Constitution and being eligible, has offered himself for re-election. | Ordinary Resolution 2 |
| 4. To re-elect Teoh Zi Yuen who is to retire pursuant to Clause 97 of the Company's Constitution and being eligible, has offered herself for re-election. | Ordinary Resolution 3 |
| 5. To re-elect Tan Sri Dato' Setia Mazlan Bin Mansor who is to retire pursuant to Clause 105 of the Company's Constitution and being eligible, has offered himself for re-election. | Ordinary Resolution 4 |
| 6. To re-elect Yong Hui Nee who is to retire pursuant to Clause 105 of the Company's Constitution and being eligible, has offered herself for re-election. | Ordinary Resolution 5 |
| 7. To re-appoint Messrs. Crowe Malaysia PLT as auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 6 |

As Special Business

To consider and, if thought fit, to pass the following resolutions:-

8. **Authority under Section 75 and 76 of the Companies Act 2016 ("the Act") for the Directors to allot and issue shares**

"**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.

Notice of Annual General Meeting

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.”

Ordinary Resolution 7

9. Proposed Renewal of Authority to the Company to Purchase its own Ordinary Shares

“**THAT** subject to the Act, the Constitution of the Company, the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“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 2026 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 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 steps necessary 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.”

Ordinary Resolution 8

Notice of Annual General Meeting

10. Proposed Renewal of Shareholders' Mandates for Recurrent Related Party Transactions of A Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandates")

"**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 2.4 of the Circular to Shareholders dated 20 October 2026 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 Shareholders' Mandates 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
- iii. the disclosure of the breakdown of the aggregate value of the Recurrent Transactions conducted pursuant to the Proposed Renewal of Shareholders' Mandates in the Integrated Annual Report ("IAR") 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."

Ordinary Resolution 9

11. To transact any other business for which due notice shall have been given in accordance with the Act.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
(SSM PC No.: 202008001023)

TAI YUEN LING (LS 0008513)
(SSM PC No.: 202008001075)

Company Secretaries

Selangor Darul Ehsan

Date: 20 October 2026

Notice of Annual General Meeting

NOTES:-

- 1) A member of the Company entitled to attend and vote at this Meeting is entitled to appoint a proxy or attorney or other duly authorised representative to attend and vote in his stead. A proxy may, but need not be a member of the Company. A member may appoint any person to be his proxy. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
- 2) A member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA") may appoint at least one (1) proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- 3) For a member of the Company who is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- 4) Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- 5) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote.
 - a. In hard copy form
In the case of an appointment made in hard copy form, the original proxy form must be deposited with the Share Registrar's office, Boardroom Share Registrars Sdn. Bhd. ("Boardroom") of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
 - b. By electronic means
The proxy form can be electronically lodged with Boardroom via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please follow the procedures set out in the Administrative Details for such lodgement. Alternatively, the proxy form can be emailed to Boardroom at bsr.proxy@boardroomlimited.com.
- 6) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- 7) Last date and time for lodging the proxy form is Monday, 16 November 2026 at 2.30 p.m.
- 8) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- 9) For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - a. If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

Notice of Annual General Meeting

- b. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - i. at least two (2) authorised officers, of whom one shall be a director; or
 - ii. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- 10) For the purpose of determining a member who shall be entitled to attend and vote at the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at **12 November 2026** and only a depositor whose name appears on the Record of Depositors shall be entitled to attend the meeting or appoint proxies to attend and vote in his stead.
- 11) Pursuant to paragraph 8.29A(1) of the MMLR of Bursa Securities, all the resolutions set out in the notice of any general meeting will be put to vote by poll.

EXPLANATORY NOTES:-

1. To receive the Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provision of Section 340 of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.

2. Ordinary Resolution 7 on the Authority under Section 75 and 76 of the Act for the Directors to allot and issue shares

The Company wishes to renew the mandate on the authority to issue shares pursuant to the Act at the 16th AGM of the Company (hereinafter referred to as the “General Mandate”).

The Company had been granted a General Mandate by its shareholders at the 15th AGM of the Company held on 20 November 2025 (hereinafter referred to as the “Previous Mandate”).

The Ordinary Resolution 7 proposed under item 8 of the Agenda seeks the shareholders’ approval of a General Mandate for issuance of shares by the Company under Section 75 and 76 of the Act. The General Mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the General Mandate is sought, the Company will make an announcement in respect thereof.

As at the date of this Notice, the Company did not allot and issue any shares pursuant to the Previous Mandate granted by the shareholders at the previous AGM.

3. Ordinary Resolution 8 on Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 8, if passed, will empower the Directors to purchase the Company’s shares of up to ten per centum (10%) of the total number of issued shares of the Company at any point in time, by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM.

For further information on Ordinary Resolution 8 please refer to the Statement to Shareholders dated 20 October 2026 accompanying the IAR of the Company for the financial year ended 30 June 2026.

Notice of Annual General Meeting

4. Ordinary Resolution 9 on Proposed Renewal of Shareholders' Mandates for Recurrent Related Party Transactions of A Revenue or Trading Nature

The proposed Ordinary Resolution 9, if passed, will empower the Directors from the date of the 16th AGM, to deal with the related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations. These recurrent related party 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 and not to the detriment of the minority shareholders.

This authority unless revoked or varied at a general meeting, will expire at the next AGM of the Company and subject always to provision (ii) of the resolution.

For further information on Ordinary Resolution 9, please refer to the Circular to Shareholders dated 20 October 2026 accompanying the IAR of the Company for the financial year ended 30 June 2026.

Personal data privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

Administrative Details of the 16th Annual General Meeting

Day and Date : **Wednesday, 18 November 2026**
 Time : **2.30 p.m.**
 Meeting Venue : **The Da Vinci Room**
Level 2, Portrait Hotel at Empire City
No. 8, Jalan PJU 8, Empire City
47820 Petaling Jaya
Selangor Darul Ehsan
Malaysia

A. APPOINTMENT OF PROXY

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend, participate, speak and vote in his stead. A member shall be entitled to appoint more than one (1) proxy but not more than two (2) proxies provided that the member specifies the proportion of the member's shareholding to be represented by each proxy. A proxy may but need not be a member of the Company.
2. To be valid, the instrument appointing a proxy shall be executed either in hard copy form or by electronic means, and shall be deposited with the Company not less than forty-eight (48) hours before the time appointed for the holding of the Meeting or any adjournment thereof:-

(i) In hardcopy form

The Proxy Form shall be deposited at the office of 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, Malaysia.

(ii) By electronic means

Alternatively, the Proxy Form may be submitted electronically either through the Boardroom Smart Investor Portal ("BSIP") at <https://investor.boardroomlimited.com> or by e-mail to bsr.proxy@boardroomlimited.com.

3. Members may register online with the BSIP and lodge the Proxy Form electronically by following the steps set out below:-

Members who have already registered with the BSIP are not required to register again and may proceed directly to Step 2 to lodge the Proxy Form electronically.

Step 1 – Register online with BSIP
(for first time registration only)

- (i) Access website at <https://investor.boardroomlimited.com>
- (ii) To sign up as a user, the member shall click <<**Register**>> and create a unique User ID and password.
- (iii) The member shall complete the registration and upload a soft copy of his/her MyKad/Identification Card (front and back) or Passport in JPEG, PNG or PDF format.
- (iv) Enter a valid email address and wait for Boardroom's email verification.
- (v) Upon verification of the member's e-mail address, the system will automatically redirect the member to BSIP Online for mobile number verification. By selecting <<**Request OTP Code**>>, a One-Time Password ("OTP") will be sent to the registered mobile number. The member is required to enter the OTP Code and select <<**Enter**>> in order to complete the process.
- (vi) The registration shall be verified and approved within one (1) business day, following which an e-mail notification will be sent to the member.

Administrative Details of the 16th Annual General Meeting

Step 2 – E-Proxy lodgement

For Individual Unitholders, Corporate Shareholders

- (a) Open an internet browser. latest versions of Chrome, Firefox, Safari, Edge or Opera are recommended.
- (b) Log in to BSIP website at <https://investor.boardroomlimited.com>
- (c) Login your BSIP account with your registered email address and password.
- (d) Enter the OTP sent to your registered email address to verify your identity.
- (e) Click “**Meeting Event**” and select <<**PECCA GROUP BERHAD 16TH ANNUAL GENERAL MEETING**>> from the list of companies and click <<**Enter**>>.

By Shareholder and Corporate Holder	By Nominees Company
- Select the Company that you are representing - <i>for Corporate Account user only</i>. - Go to “PROXY” and click on <<Submit eProxy Form>>. - Click on <<Submit eProxy Form>>. - Enter your 9 digits CDS account number and number of securities held. - Select your proxy/proxies appointment – either the Chairman of the Meeting or individual named proxy/proxies. - Read and accept the Terms and Conditions and click <<Next>>. - Enter the required particulars of your proxy/proxies. - Indicate your voting instructions for each Resolution – FOR, AGAINST, ABSTAIN or DISCRETIONARY. If DISCRETIONARY is selected, your proxy/proxies will decide on your votes during poll at the meeting. - Review and confirm your proxy/proxies appointment and click <<Submit>>. - Download or print the eProxy Form as acknowledgement.	- Select the Nominees Company that you are representing. - Go to “PROXY” and click on <<Submit eProxy Form>>. - Click on “Download Excel Template” to download. - Insert the appointment of proxy/proxies for each CDS account with the necessary data and voting instructions in the downloaded excel file template. Ensure inserted data is correct and orderly. - Proceed to upload the duly completed excel file. - Review and confirm your proxy/proxies appointment and click <<Submit>>. - Download or print the eProxy form as acknowledgement.

Please note that the closing date and time to submit your proxy/proxies form is by **Monday, 16 November 2026 at 2.30 p.m.**

4. A member who wishes to participate in the Meeting in person shall not submit any Proxy Form for the Meeting, as participation in the Meeting together with any proxy(ies) appointed by the member shall not be permitted.

Administrative Details of the 16th Annual General Meeting

5. Where a member has submitted a Proxy Form prior to the Meeting and subsequently elects to participate personally in the Meeting, the member shall notify the Share Registrar in the following method to revoke the proxy(ies) so appointed, by giving not less than forty-eight (48) hours' notice before the commencement of the Meeting.

eProxy Form	Physical Proxy Form
- Go to “Meeting Event” and select <<PECCA GROUP BERHAD 16TH ANNUAL GENERAL MEETING>> from the list of companies and click <<Enter>>. - Go to “PROXY” and click on <<Submit Another eProxy Form>>. - Go to “Submitted eProxy Form List” and click <<View>> for the eProxy form. - Click <<Cancel/Revoke>> at the bottom of the eProxy form. - Click <<Proceed>> to confirm.	Please write in to bsr.proxy@boardroomlimited.com to revoke the appointment of proxy/proxies.

6. Upon such revocation, the proxy(ies) concerned shall not be permitted to participate in the Meeting, and the member is advised to inform the proxy(ies) accordingly.

B. REGISTRATION ON THE DAY OF THE MEETING

- The registration counter shall open at 1.30 p.m. on Wednesday, 18 November 2026. Members or proxies are required to produce their original MyKad or, in the case of non-Malaysians, their Passport, for verification purposes at the point of registration. The original MyKad or Passport shall be returned to the member or proxy immediately after verification.
- No person shall be permitted to register on behalf of another person, even if in possession of the other person's original MyKad or Passport. Upon completion of verification, members or proxies shall write their names and sign the Attendance List placed at the registration table, following which they shall be issued with identification wristbands for voting purposes.

C. RECORD OF DEPOSITORS

Only members whose names appear on the Record of Depositors of the Company as at **12 November 2026** shall be entitled to attend, participate, speak and vote at the 16th AGM.

D. VOTING PROCEDURE

The voting at the 16th AGM shall be conducted by way of poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Boardroom Share Registrars Sdn. Bhd. as the Poll Administrator to conduct the poll by electronic voting and an Independent Scrutineer to verify the results of the poll.

Upon the conclusion of the voting session for the 16th AGM, the Independent Scrutineer shall verify the poll results, following which the Chairman shall declare whether the resolutions have been duly passed.

E. RECORDING / PHOTOGRAPHY

By participating in the Meeting, members acknowledge and agree that no part of the proceedings shall be recorded, photographed, stored in any retrieval system, reproduced, transmitted or uploaded in any form or on any platform, including social media, whether by mechanical, electronic, photocopying, recording or any other means, without the prior written consent of the Company. The Company reserves the right to institute appropriate legal proceedings against any person who contravenes this provision.

Administrative Details of the 16th Annual General Meeting

F. DOOR GIFT

There will be distribution of door gift to members/proxies who participate in the AGM.

G. ENQUIRY

Any questions regarding the Meeting may be directed to the Company's Share Registrar during office hours, Mondays to Fridays from 8:30 a.m. to 5:30 p.m. (excluding public holidays), prior to the Meeting:-

Boardroom Share Registrars Sdn. Bhd.

Address : 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia
General line : +603-7890 4700 (Helpdesk)
Fax number : +603-7890 4670
Email : bsr.helpdesk@boardroomlimited.com

H. PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company:-

- (a) consents to the collection, use and disclosure of the member's personal data by the Company and/or its agents for the purposes of processing and administering proxies and representatives appointed for the Meeting (including any adjournment thereof), preparing and compiling attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof) and enabling the Company and/or its agents to comply with applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purpose");
- (b) warrants that, where the member discloses the personal data of his/her proxy(ies) and/or representative(s) to the Company and/or its agents, the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the collection, use and disclosure of their personal data by the Company and/or its agents for the Purpose; and
- (c) agrees to indemnify the Company against any penalties, liabilities, claims, demands, losses or damages arising from the member's breach of warranty.



PROXY FORM
PECCA GROUP BERHAD

Registration No. 201001025617 (909531-D)
Incorporated in Malaysia

No. of ordinary shares held	CDS account no. of holder

I/We, _____ (name of shareholder as per NRIC/Passport, in capital letters)

NRIC No./Passport No./Company No./Registration No. _____ of _____

_____ (full address)

being a *member/members of **PECCA GROUP BERHAD** hereby appoint(s):-

Full Name	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Contact No.		

* and/or (delete as appropriate)

Full Name	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Contact No.		

or failing *him/her, the Chairman of the meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the Sixteenth Annual General Meeting of the Company to be held at The Da Vinci Room, Level 2, Portrait Hotel at Empire City, No. 8, Jalan PJU 8, Empire City, 47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia on **Wednesday, 18 November 2026 at 2.30 p.m.** or any adjournment thereof.

My/our proxy/proxies is/are to vote as indicated below.

Item No.	Agenda	Resolutions	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2026 together with the Reports of the Directors and Auditors thereon.			
2.	To approve the payment of Directors' fees and benefit payable to the Directors of the Company and its subsidiaries of up to RM578,500.00 from 19 November 2026 until the conclusion of the next Annual General Meeting of the Company.	Ordinary Resolution 1		
3.	To re-elect Teoh Zi Yi who is to retire pursuant to Clause 97 of the Company's Constitution and being eligible, has offered himself for re-election.	Ordinary Resolution 2		
4.	To re-elect Teoh Zi Yuen who is to retire pursuant to Clause 97 of the Company's Constitution and being eligible, has offered herself for re-election.	Ordinary Resolution 3		
5.	To re-elect Tan Sri Dato' Setia Mazlan Bin Mansor who is to retire pursuant to Clause 105 of the Company's Constitution and being eligible, has offered himself for re-election.	Ordinary Resolution 4		
6.	To re-elect Yong Hui Nee who is to retire pursuant to Clause 105 of the Company's Constitution and being eligible, has offered herself for re-election.	Ordinary Resolution 5		
7.	To re-appoint Messrs. Crowe Malaysia PLT as auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 6		
Special Business				
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.	Ordinary Resolution 7		
9.	Proposed Renewal of Authority to the Company to Purchase its own Ordinary Shares.	Ordinary Resolution 8		
10.	Proposed Renewal of Shareholders' Mandates for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 9		

(Please indicate with an "X" in the appropriate box against the resolutions on how you wish your proxy to vote. The proxy is to vote on the resolutions set out in the Notice of Meeting as you have indicated. If no specific instruction as to voting is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

* Strike out whichever is not applicable.

* If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "the Chairman of the Meeting or failing him/her" and insert the name(s) of the person(s) desired.

Signature/Common Seal of Shareholder

Date:

NOTES:-

- 1) A member of the Company entitled to attend and vote at this Meeting is entitled to appoint a proxy or attorney or other duly authorised representative to attend and vote in his stead. A proxy may, but need not be a member of the Company. A member may appoint any person to be his proxy. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
- 2) A member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA") may appoint at least one (1) proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- 3) For a member of the Company who is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- 4) Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- 5) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote.
 - a. In hard copy form
In the case of an appointment made in hard copy form, the original proxy form must be deposited with the Share Registrar's office, Boardroom Share Registrars Sdn. Bhd. ("Boardroom") of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
 - b. By electronic means
The proxy form can be electronically lodged with Boardroom via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please follow the procedures set out in the Administrative Details for such lodgement. Alternatively, the proxy form can be emailed to Boardroom at bsr.proxy@boardroomlimited.com.
- 6) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- 7) Last date and time for lodging the proxy form is Monday, 16 November 2026 at 2.30 p.m.

Then fold here

AFFIX
STAMP

PECCA GROUP BERHAD
Registration No. 201001025617 (909531-D)
c/o Boardroom Share Registrars Sdn. Bhd.
Registration No. 199601006647 (378993-D)

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

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- 8) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- 9) For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - a. If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - b. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - i. at least two (2) authorised officers, of whom one shall be a director; or
 - ii. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- 10) For the purpose of determining a member who shall be entitled to attend and vote at the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at **12 November 2026** and only a depositor whose name appears on the Record of Depositors shall be entitled to attend the meeting or appoint proxies to attend and vote in his stead.
- 11) Pursuant to paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice of any general meeting will be put to vote by poll.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 20 October 2026.



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