



PECCA

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GROUP BERHAD



**PECCA GROUP BERHAD**

(Registration No. 201001025617 (909531-D))  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023**

	Notes	Individual & Cumulative Quarter		Variance %
		Current Year Quarter 30.09.2023 RM'000	Preceding Year Quarter 30.09.2022 RM'000	
<b>Revenue</b>	A9	64,046	54,864	17%
Cost of sales		(40,335)	(39,001)	3%
<b>Gross profit</b>		23,711	15,863	49%
Other Income		239	143	67%
Selling and distribution expenses		(1,772)	(1,478)	20%
Administrative expenses		(5,686)	(3,804)	49%
<b>Operating Profit</b>		16,492	10,724	54%
Finance income		825	416	98%
Finance costs		(93)	(62)	0%
<b>Profit before tax</b>	B5	17,224	11,078	55%
Income tax expense	B6	(4,179)	(2,729)	53%
<b>Profit for the period</b>		13,045	8,349	56%
<b>Other comprehensive income, net of tax</b>				
Actuarial loss on employment benefit		(2)	-	100%
Foreign currency translation differences on foreign operations		(58)	(2)	2800%
<b>Total comprehensive income for the financial period</b>		12,985	8,347	56%
<b>Profit attributable to:</b>				
Owners of the company		13,013	8,350	56%
Non-controlling interests		32	(1)	(3300%)
<b>Profit for the period</b>		13,045	8,349	56%
<b>Total comprehensive income for the financial period</b>				
Owners of the Company		12,964	8,349	55%
Non-controlling interests		21	(2)	(1150%)
<b>Total comprehensive income for the financial period</b>		12,985	8,347	56%
<b>Earnings per share attributable to Owners of the Company (sen) <sup>(2)</sup></b>				
- Basic	B12	1.73	1.11	56%
- Diluted		1.73	1.11	56%

Notes:

(1) The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the explanatory notes attached to this report.

(2) Based on the weighted average number of ordinary shares in issue as detailed in Note B12.

**PECCA GROUP BERHAD**

(Registration No. 201001025617 (909531-D))  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
30 SEPTEMBER 2023**

	<b>Unaudited 30.09.2023 RM'000</b>	<b>Audited 30.06.2023 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	42,141	42,784
Right-of-use assets	24,225	24,469
Goodwill	140	140
Deferred tax assets	8	-
Other investments	419	419
	<u>66,933</u>	<u>67,812</u>
<b>Current Assets</b>		
Inventories	25,447	28,445
Trade and other receivables	59,829	54,856
Contract assets	264	130
Prepayments	1,954	1,526
Current tax assets	33	35
Cash and bank balances	112,589	111,232
	<u>200,116</u>	<u>196,224</u>
<b>Total assets</b>	<u>267,049</u>	<u>264,036</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	135,702	135,702
Reserves	82,554	77,108
	<u>218,256</u>	<u>212,810</u>
Non-controlling interest	431	410
<b>Equity attributable to owners of the Company</b>	<u>218,687</u>	<u>213,220</u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	6,640	6,632
Employee benefits	33	30
Borrowings	4,883	5,040
Lease liabilities	303	478
	<u>11,859</u>	<u>12,180</u>
<b>Current Liabilities</b>		
Trade and other payables	24,359	19,819
Dividend payable	-	5,112
Borrowings	3,380	6,830
Lease liabilities	623	534
Current tax liabilities	8,141	6,341
	<u>36,503</u>	<u>38,636</u>
<b>Total liabilities</b>	<u>48,362</u>	<u>50,816</u>
<b>Total equity and liabilities</b>	<u>267,049</u>	<u>264,036</u>
<b>Net assets per share attributable to owners of the parents (sen) <sup>(2)</sup></b>		
	<u>29.03</u>	<u>28.31</u>

**Notes:**

(1) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the explanatory notes attached to this report.

(2) Based on the number of ordinary shares in issue less Treasury Shares as at 30 September 2023 of 751,783,132 (30 June 2023: 751,783,132).



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023**

	← Attributable to owners of the Company →							Total RM'000	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			
<b>At 01.07.2023</b>	135,702	(60)	(60,822)	100	18,965	(2)	118,927	212,810	410	213,220
<b>Profit after taxation for the financial period</b>	-	-	-	-	-	-	13,013	13,013	32	13,045
<b>Other comprehensive income for the financial period:</b>										
- Actuarial loss on employment benefit	-	-	-	-	-	(2)	-	(2)	-	(2)
- Foreign currency translation differences on foreign operations	-	-	-	(47)	-	-	-	(47)	(11)	(58)
<b>Transactions with owners</b>										
- Dividend distributions to owners of the Company	-	-	-	-	-	-	(7,518)	(7,518)	-	(7,518)
<b>At 30.09.2023</b>	<u>135,702</u>	<u>(60)</u>	<u>(60,822)</u>	<u>53</u>	<u>18,965</u>	<u>(4)</u>	<u>124,422</u>	<u>218,256</u>	<u>431</u>	<u>218,687</u>

Notes:(1) The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the explanatory notes attached to this report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023**

	<b>3 months ended 30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	17,224	11,078
Adjustments for:		
Depreciation of property, plant and equipment	1,167	1,044
Depreciation of right-of-use assets	222	152
Plant and equipment written off	1	-
Loss on disposal of plant and equipment	-	97
Impairment loss on trade receivables	-	21
Share of result of joint venture	-	23
Unrealised loss on foreign exchange	72	151
Finance costs	93	62
Finance income	(825)	(416)
<b>Operating profit before changes in working capital</b>	<b>17,954</b>	<b>12,212</b>
<b>Changes in working capital:</b>		
Inventories	2,985	1,450
Trade and other receivables	(4,804)	(13,062)
Prepayments	(555)	270
Trade and other payables	4,518	3,409
Post-employment benefit	2	-
<b>Cash generated from operations</b>	<b>20,100</b>	<b>4,279</b>
Income tax paid	(2,579)	(406)
Interest paid	(93)	(62)
<b>Net cash from operating activities</b>	<b>17,428</b>	<b>3,811</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(563)	(277)
Advances to a related company	-	(199)
Proceeds from disposal of plant and equipment	-	210
Interest received	825	416
<b>Net cash from investing activities</b>	<b>262</b>	<b>150</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of lease liabilities	(87)	(96)
Dividends paid	(12,630)	(10,525)
Net proceeds from borrowings	(3,607)	(765)
<b>Net cash for financing activities</b>	<b>(16,324)</b>	<b>(11,386)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,366</b>	<b>(7,425)</b>
Effect of exchange rate fluctuations on cash held	(13)	7
<b>Cash and cash equivalents at the beginning of financial year</b>	<b>111,236</b>	<b>86,808</b>
<b>Cash and cash equivalents at the end of financial year</b>	<b>112,589</b>	<b>79,390</b>

Notes:

(1) The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the explanatory notes attached to this report.



## **A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING**

### **A1. Basis of preparation**

The condensed financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Securities Berhad ("BMSB") Main Market Listing Requirements. These condensed financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. This report should be read in conjunction with the Company's audited financial statements for the financial year ended 30 June 2023.

The explanatory notes to this report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the financial year ended 30 June 2023.

The interim financial report is presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

### **A2. Significant accounting policies**

The significant accounting policies and methods of computation adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2023. The Group has not applied in advance the following accounting standards (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:

#### Effective for annual periods commencing on or after 1 January 2023

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts
- Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

#### Effective for annual periods commencing on or after 1 January 2024

- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Non-current Liabilities with Covenants
- Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

#### Effective for annual periods commencing on or after 1 January 2025

- Amendments to MFRS 121: Lack of Exchangeability



**A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING** *(continued)*

**A3. Auditors' Report**

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 30 June 2023.

**A4. Seasonal or cyclical factors**

The business operations of the Group are not materially affected by any seasonal or cyclical factors in the current quarter.

**A5. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group in the current quarter.

**A6. Changes in estimates**

There were no changes in estimates of amounts reported in prior periods that had a material effect in the current quarter.

**A7. Debt and equity securities**

Other than the above, there was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter. As at 30 September 2023, the number of treasury shares held were 216,868 ordinary shares at RM60,173.

**A8. Dividend paid**

The third interim single-tier dividend of 1.00 sen per ordinary share in respect of the financial year ending 30 June 2023 totalled to RM7,517,831 was declared on 29 August 2023 and paid on 29 September 2023.



**A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING** (continued)

**A9. Segmental information**

a) Operating segments

The Group's current business activities comprise of four segments namely automotive, healthcare, aviation and furniture segments. The Automotive segment focuses on styling, manufacturing, distribution and installation of automotive leather upholstery for car seat covers and accessories covers. The Healthcare segment focuses on the manufacturing and distribution of healthcare products. The Aviation segment provides services in manufacturing, repair, refurbishment, distribution and installation of aircraft seat covers and parts refurbishment. The Furniture segment provides for the manufacturing of leather furniture and supply of furniture seat covers. The breakdown of the Group's total revenue by business activities and products are as follows: -

	Current and Cumulative Quarter Ended	
	30.09.2023 RM'000	30.09.2022 RM'000
<b><u>AUTOMOTIVE</u></b>		
Car seat covers		
- OEM <sup>(1)</sup>	51,170	37,295
- REM <sup>(1)</sup>	1,653	1,960
- PDI <sup>(1)</sup>	5,006	5,338
Sub-total for car seat covers	57,829	44,593
Leather cut pieces supply	131	4,578
<b><u>Others</u></b>		
- Sewing of fabric car seat covers	3,157	2,590
- Manufacturing of leather/PVC car accessories covers and miscellaneous seat covers, provision of wrapping and stitching services and supply of raw materials	2,210	1,714
	63,327	53,475
<b><u>OTHERS</u></b>		
Healthcare	641	855
Aviation	76	520
Furniture	2	14
<b>Grand Total</b>	<b>64,046</b>	<b>54,864</b>

Note (1): OEM – Original Equipment Manufacturer  
REM – Replacement Equipment Manufacturer  
PDI – Pre-delivery Inspection





**A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING** *(continued)*

**A9. Segmental information** *(continued)*

b) Geographical segments

The segment information in respect of the Group's geographical segments are as follows: -

	<b>Current and Cumulative Quarter Ended</b>	
	<b>30.09.2023</b>	<b>30.09.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	60,525	52,543
Rest of Asia	2,199	517
Europe	781	1,204
North America	426	323
Oceania	115	277
	<u>64,046</u>	<u>54,864</u>

**A10. Valuation of property, plant and equipment**

The Group has not carried out any valuation on its property, plant and equipment in the current quarter.

**A11. Capital commitments**

There was no authorised capital commitment.

**A12. Changes in the composition of the Group**

There were no material changes in the composition of the Group in the current quarter.

**A13. Contingent liabilities or contingent assets**

There were no material contingent liabilities or contingent assets as at the date of this report.

**A14. Material events subsequent to the end of the quarter**

There were no other material events subsequent to the end of current quarter that have not been reflected in this interim financial report.



**A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING** *(continued)*

**A15. Related Party Transactions**

The Group's related party transactions for the current quarter and the cumulative quarter ended 30 September 2023 are as follows:

	<b>Current and Cumulative Quarter Ended 30.09.2023 RM'000</b>
Rental charges to related parties	
- Tint Auto (M) Sdn Bhd	54
- Rentas Health Sdn Bhd	67
Sales to related party	
- Rentas Health Sdn Bhd	641
Management service to related parties	
- Tint Auto (M) Sdn Bhd	18
- Rentas Health Sdn Bhd	6
Warehouse service charge from related party	
- Rentas Health Sdn Bhd	(16)

*Note:*

*The related party is a company in which certain Directors and substantial shareholders of the Company have interests.*

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS**

**B1. Performance review for the current quarter compared with the preceding year's corresponding quarter**

For the quarter under review, the Group recorded a revenue of RM64.05 million and a profit before tax ("PBT") of RM17.22 million in the current quarter which increased by 17% and 55% in revenue and PBT respectively as compared to the preceding year's corresponding quarter. The increase in revenue and PBT was mainly contributed by the higher sales volume achieved in the Automotive segment for current quarter as compared same period preceding year.

The Group's revenue was driven by leather upholstery and sewing of fabric car seat covers which have contributed approximately 90% and 5% of the total revenue respectively. OEM upholstery car seat segment contributed approximately 88% of the total revenue for car seat covers whilst REM and PDI contributed approximately 3% and 9% respectively.

In contrast, the revenue from Healthcare division is lower as compared to preceding year's corresponding quarter (Q1 FY2024: RM0.64 million versus Q1 FY2023: RM0.85 million). The demand of facemasks reduced following the further easing of COVID-19 guidelines that wearing face masks on public transport and in health facilities no longer be mandatory with effect from 5 July 2023 announced by Health Ministry.

The increase in selling and administrative expenses are mainly due to enlarged staff force to support the expansion plan in both the automotive and aviation segment. Higher bonus provision was allocated for the achievement of a record-high profit after tax of RM13.04 million as compared to RM8.35 million in the preceding year's corresponding quarter. Besides that, the increase in administrative expenses mainly due to the administrative cost incurred by PT Gemilang Maju Kencana, our newly acquired subsidiary since 1 April 2023, and the financial result is now consolidated under the Group.

**B2. Financial review for the current quarter compared with the immediately preceding quarter**

	<b>Current Year Quarter 30.09.2023 RM'000</b>	<b>Immediate Preceding Quarter 30.06.2023 RM'000</b>	<b>Variance</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	64,046	54,329	9,717	18%
Profit after tax	13,045	10,103	2,942	29%

For the current quarter under review, the Group's revenue increased by 18% to RM64.05 million from RM54.33 million in the immediate preceding quarter. This is primarily attributable to increase in sales volume for car seat cover for various models, which contributed to an increase of 18% in revenue.

The profit after tax in the current quarter improved by 29% to RM13.05 million despite revenue only increased by 18%. This is mainly attributable to efficiency in operating cost that the production output achieved the economies of scale.



**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS** *(continued)*

**B3. Prospects**

The International Monetary Fund (IMF) expects Southeast Asian economies to grow at 4.2% in 2023, down from 5.7% in 2022. The IMF's forecast, published in October 2023, is a downward revision of 0.4% from its previous forecast.

According to the IMF, Malaysia's economy is projected to expand at a growth rate of 4% in 2023, compared to 8.7% in 2022. The IMF's projections also reflect external headwinds to growth, such as geo-economic fragmentation and geopolitical tensions.

However, Malaysia's economic prospects remain supported by domestic demand, better employment prospects, policy support for vulnerable households and a resurgence of tourism-related activities. In addition, as per the IMF, Malaysia expects to benefit from trade diversion and supply chain diversification, with the Government actively adapting policies to attract more foreign direct investments (FDI) and value-added production to Malaysia.

Automobile segment

In the first nine months of 2023 (9M23), Malaysia's automotive industry registered sales of new vehicles -- as measured by total industry volume (TIV) -- of 571,767, an 11% increase from the same corresponding period in 2022. The Malaysian Automotive Association (MAA) expects TIV to hit 725,000 for the full year, up from 2022's historical record TIV of 720,658.

Pecca's major customer, Perodua, reported a year-on-year increase of 18.6% and 18.8% for production and sales, respectively, for 9M23. For the full year, Perodua expects sales to hit another record high of 345,000 vehicles.

Notably, Perodua has announced its intention to boost production and introduce new models in 2023. These developments are anticipated to lift demand for upholstery and related supplies. Pecca will continue solidifying its reputation as a preferred supplier for both international and local automotive players, positioning itself to benefit from the upswing in demand.

In line with this, Pecca is in the pipeline of preparing the development of its second manufacturing plant at the UMW High Value Manufacturing Park in Serendah, Selangor. The second plant will effectively double Pecca production capacity, helping the Group meet the increased production volume requirements of existing and new customers.

In addition, the Group has established a physical manufacturing presence in Indonesia via the acquisition of a controlling stake in PT Gemilang Maju Kencana (PT GMK). With this acquisition, Pecca has widened its customer base to include key players from the Indonesian automotive industry.

The Group is working aggressively to expand its local and foreign customer base in the Replacement Equipment Manufacturer ("REM") segment and penetrate new markets into US, Australia, New Zealand, Singapore and Europe.



**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS** *(continued)*

**B3. Prospects** *(continued)*

Aviation segment

Global tourism has continued recovering strongly in 2023, after two years of travel restrictions. Aena, the world's biggest airport operator by passenger volume, reported that traffic had reached 100.8% of pre-pandemic levels as of 9M23.

Pecca is well-positioned to ride the airline industry's recovery, thanks to its partnerships with France-based Aero Cabin Solutions ("ACS"), which has more than 20 years of experience in the aircraft interior market, and Global Component Asia Sdn Bhd, a major local maintenance, repair, and operations (MRO) player with a network of customers in the Southeast Asian and Australasian civil and military aviation industry.

These partnerships aim to leverage Pecca's competitive advantage as the only EASA-certified (POA) C2 Certificate holder with full-scale fabrication capability of aircraft seat covers in Malaysia and Southeast Asia, as of to date. Pecca believes it can leverage its established track record in upholstery design, manufacturing and installation to penetrate the aviation market. In the first quarter of FY2024, the Group achieved a milestone with its first purchase order from an European registered commercial aviation customer. The Group will continue working to expand its existing customer base that previously only served Malaysia-registered aircraft such as private jets and helicopters.

This is a more stringent and regulated segment with a fast turnaround time for delivery, we are confident that this segment will help further expand the margin of the Group.

Overall

Pecca believes it will continue benefiting from robust demand for automotive upholstery, as the Malaysian automotive industry appears to be on track for another record TIV in 2023. Additionally, the Group has established a foothold in Indonesia's automotive industry, which will see Pecca benefit from rising vehicle demand from a market far larger than Malaysia's.

Looking ahead, Pecca's aviation division is set to emerge as one of the drivers of revenue for the Group and gain from the recovery of international air travel.

The Management will continue its broader push to diversify into new markets. On the operational front, the Group maintains its focus on improving productivity levels, cost efficiency and optimising its procurement strategy.

**B4. Variance of actual profit from profit forecast and profit guarantee**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation or announcement.

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS** (continued)

**B5. Profit before tax**

The profit before tax is stated after charging/ (crediting): -

	<b>Current and Cumulative Quarter Ended 30.09.2023 RM'000</b>
Finance income	(825)
Depreciation of:	
- Property, plant and equipment	1,167
- Right-of-use assets	222
Realised gain on foreign exchange	(8)
Unrealised loss on foreign exchange	72

Save as disclosed above, the other items as required under paragraph 16 of Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Securities are not applicable.

**B6. Taxation**

	<b>Current and Cumulative Quarter Ended 30.09.2023 RM'000</b>
Income tax expense	<u>4,179</u>

The effective tax rate for the cumulative quarter is the same as the statutory tax rate of 24%.

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS** *(continued)*

**B7. Status of Corporate Proposals**

There was no corporate proposal announced but not completed as at the date of this report.

**B8. Utilisation of Proceeds**

As announced on 23 April 2018, the Board of Directors 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 utilization of the proceed 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 as 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.

The status of utilisation of the proceeds from the Public Issue of 47,796,000 new ordinary shares at RM1.42 per share as of 30 September 2023 is as follows:

<b>Purposes</b>	<b>Revised Expected Timeframe for Utilisation (from 19 April 2018)</b>	<b>Revised Amount (RM'000)</b>	<b>Actual Utilisation (RM'000)</b>	<b>Utilised %</b>
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	-	0	0	100
f) Establishment of market presence in Thailand	Within 24 months	0	0	100
g) Expansion of aviation business	Within 24 months	834	(834)	100
h) Estimated listing expenses	-	4,111	(4,111)	100
g) Purchase of raw material	-	5,350	(5,350)	100
i) Selling and distribution expenses of:				
- Retail	Within 24 months	2,000	(40)	2
- Thailand	Within 24 months	0	0	100
- Aviation	Within 24 months	745	(205)	28
<b>Total Public Issue Proceeds</b>		<b>67,870</b>	<b>(65,370)</b>	<b>96</b>

Note:

(a) The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 29 March 2016 and the announcement dated 23 April 2018.



**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS** *(continued)*

**B9. Group borrowings**

	<b>Current Quarter Ended 30.09.2023 RM'000</b>	<b>Audited 30.06.2023 RM'000</b>
<b>Short term borrowings</b>		
<b>Secured:</b>		
Banker Acceptance	1,750	3,800
Post Shipment Buyer Loan	1,000	2,400
Term Loan	630	630
	<u>3,380</u>	<u>6,830</u>
<b>Long term borrowings</b>		
<b>Secured:</b>		
Term Loan	4,883	5,040
	<u>4,883</u>	<u>5,040</u>
	<u>8,263</u>	<u>11,870</u>

Banker' Acceptances and term loan are secured by corporate guarantees of the Company.

As at 30 September 2023, the Company has extended corporate guarantees amounting to RM8.26 million to financial institutions for banking facilities granted to the subsidiary. The financial impact of the guarantees is immaterial as the subsidiary concerned is in positive financial standings to meet its obligation and when they fall due.

**B10. Material litigation**

The Group is not engaged in any material litigation either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the Directors do not have any knowledge of any proceeding pending or threatened or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group, as at the date of this report.

**B11. Dividend Proposed**

The Board has declared and approved a first interim single-tier dividend of 1.00 sen per ordinary share in respect of financial year ended 30 June 2024.





**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS** *(continued)*

**B12. Earnings Per Share ("EPS")**

a) Basic earnings per share

The basic earnings per share for the current quarter and financial year-to-date are computed as follows:

	<b>Current and Cumulative Quarter Ended 30.09.2023 RM'000</b>
Profit attributable to equity holders	<u>13,013</u>
Weighted average number of ordinary shares in issue excluding Treasury Shares	<u>751,783</u>
Basic earnings per share (sen)	<u>1.73</u>
Diluted earnings per share (sen)	<u>1.73</u>

(b) Diluted earnings per share

There are no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the financial period ended 30 September 2023.

**B13. Authorisation for Issue**

The interim Financial Statements were authorised for issue by the Board of Directors on 16 November 2023.

**BY ORDER OF THE BOARD**

Kuala Lumpur  
16 NOVEMBER 2023