



PECCA

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 SECOND QUARTER ENDED 31 DECEMBER 2025**

	Notes	Individual Quarter			Cumulative Quarter		
		Current Year Quarter	Preceding Year Quarter	Variance %	Current Year Quarter	Preceding Year Quarter	Variance %
		31.12.2025 RM'000	31.12.2024 RM'000		31.12.2025 RM'000	31.12.2024 RM'000	
Revenue	A9	65,013	62,645	3.8%	125,606	118,556	5.9%
Cost of sales		(37,744)	(35,385)	6.7%	(72,799)	(67,226)	8.3%
Gross profit		27,269	27,260	0.0%	52,807	51,330	2.9%
Other Income		243	46	428.3%	490	321	52.6%
Selling and distribution expenses		(2,234)	(2,388)	(6.4%)	(3,764)	(4,148)	(9.3%)
Administrative expenses		(5,295)	(5,402)	(2.0%)	(9,984)	(10,042)	(0.6%)
Results from operating activities		19,983	19,516	2.4%	39,549	37,461	5.6%
Finance income		857	1,037	(17.4%)	1,715	2,213	(22.5%)
Finance costs		(164)	(71)	131.0%	(247)	(145)	70.3%
Profit before taxation	B5	20,676	20,482	0.9%	41,017	39,529	3.8%
Income tax expense	B6	(5,123)	(5,149)	(0.5%)	(10,084)	(9,625)	4.8%
Profit for the period		15,553	15,333	1.4%	30,933	29,904	3.4%
Other comprehensive income, net of tax Items that will be reclassified subsequently to profit or loss							
Foreign currency translation differences on foreign operations		(125)	82	(252.4%)	(239)	(147)	62.6%
Total comprehensive income for the financial period		15,428	15,415	0.1%	30,694	29,757	3.1%
Profit attributable to:-							
Owners of the company		15,570	15,332	1.6%	30,955	29,913	3.5%
Non-controlling interests		(17)	1	(1800.0%)	(22)	(9)	144.4%
Profit for the period		15,553	15,333	1.4%	30,933	29,904	3%
Total comprehensive income attributable to:-							
Owners of the Company		15,470	15,398	0.5%	30,763	29,796	3.2%
Non-controlling interests		(42)	17	(347.1%)	(69)	(39)	76.9%
Total comprehensive income for the financial period		15,428	15,415	0.1%	30,694	29,757	3.1%
Earnings per share attributable to Owners of the Company (sen)⁽²⁾							
- Basic	B12	2.15	2.10	2.3%	4.27	4.10	4.2%
- Diluted		2.15	2.10	2.3%	4.27	4.10	4.2%

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 2025 and the explanatory notes attached to this Condensed Report.

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



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	As at 31.12.2025 Unaudited RM'000	As at 30.06.2025 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	44,234	42,538
Right-of-use assets	42,041	23,508
Other investments	418	418
Goodwill	140	140
Deferred tax assets	11	-
	<u>86,844</u>	<u>66,604</u>
Current Assets		
Inventories	19,900	23,824
Trade and other receivables	43,451	45,232
Prepayments	3,474	4,552
Current tax assets	438	74
Cash and cash equivalents	116,227	104,910
	<u>183,490</u>	<u>178,592</u>
Total assets	<u>270,334</u>	<u>245,196</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	135,702	135,702
Treasury shares	(35,125)	(30,986)
Reserves	116,401	103,749
Total equity attributable to owners of the Company	<u>216,978</u>	<u>208,465</u>
Non-controlling interests	499	568
	<u>217,477</u>	<u>209,033</u>
Liabilities		
Non-current liabilities		
Deferred tax liabilities	6,705	7,128
Lease liabilities	256	108
Post-employment benefits	24	25
Borrowings	12,452	4,069
	<u>19,437</u>	<u>11,330</u>
Current Liabilities		
Trade and other payables	23,210	20,144
Current tax liabilities	6,199	3,056
Lease liabilities	673	320
Borrowings	3,338	1,313
	<u>33,420</u>	<u>24,833</u>
Total liabilities	<u>52,857</u>	<u>36,163</u>
Total equity and liabilities	<u>270,334</u>	<u>245,196</u>
Net assets per share attributable to owners of the parents (sen) ⁽²⁾	<u>29.95</u>	<u>28.66</u>

Notes:

(1) The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2025 and the explanatory notes attached to this Condensed Report.

(2) Based on the number of ordinary shares in issue less Treasury Shares as at 31 December 2025 of 724,454,932 (30 June 2025: 727,275,732).



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 31 DECEMBER 2025

	← 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			
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 period	-	-	-	-	-	-	30,955	30,955	(22)	30,933
Other comprehensive income for the financial period:										
- Actuarial loss on post-employment benefits	-	-	-	-	-	*	-	-	-	-
- Foreign currency translation differences on foreign operations	-	-	-	(192)	-	-	-	(192)	(47)	(239)
Transactions with owners										
- Dividend distributions to owners of the Company	-	-	-	-	-	-	(18,111)	(18,111)	-	(18,111)
- Purchase of own shares	-	(4,139)	-	-	-	-	-	(4,139)	-	(4,139)
At 31 December 2025	135,702	(35,125)	(60,822)	(530)	18,965	1	158,787	216,978	499	217,477

* Amount less than RM1,000

Note:

(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 2025 and the explanatory notes attached to this Condensed Report.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED
31 DECEMBER 2025**

	6 months ended 31 December	
	2025	2024
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	41,017	39,529
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	2,761	2,457
Depreciation of right-of-use assets	655	369
Property, plant and equipment written off	-	2
Impairment gain on plant and machineries	-	(500)
Inventories written down	2	-
Unrealised loss on foreign exchange	117	88
Finance costs	247	145
Finance income	(1,715)	(2,213)
Gain on disposal of property, plant and equipment	(53)	(1)
Operating profit before working capital changes	43,031	39,876
Changes in inventories	3,868	3,621
Changes in trade and other receivables	2,494	(5,604)
Changes in contract assets	-	(29)
Changes in prepayments	1,263	(1,259)
Changes in trade and other payables	2,165	727
Changes in post-employment benefits	1	1
Cash generated from operations	52,822	37,333
Net income tax paid	(7,743)	(8,353)
Interest paid	(247)	(145)
Net cash from operating activities	44,832	28,835
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(4,258)	(2,143)
Acquisition of right-of-use assets	(18,502)	(333)
Proceeds from disposal of plant and equipment	53	1
Interests received	1,715	2,213
Net cash for investing activities	(20,992)	(262)
CASH FLOWS FOR FINANCING ACTIVITIES		
Payment of lease liabilities	(453)	(488)
Dividends paid	(18,111)	(44,299)
Repayment of loan to corporate shareholder	-	1
Net proceeds/(repayment) of borrowings	9,426	(1,514)
Purchase of own shares	(4,139)	(27,257)
Net cash for financing activities	(13,277)	(73,557)
Net increase/(decrease) in cash and cash equivalents	10,563	(44,984)
Effects of foreign exchange translation	(226)	(147)
Cash and cash equivalents at the beginning of financial period	104,910	153,682
Cash and cash equivalents at the end of financial period	115,247	108,551

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 2025 and the explanatory notes attached to this Condensed Report.
- (2) Cash and cash equivalents comprise of the following amounts:

	6 months ended 31 December	
	2025	2024
	RM'000	RM'000
Cash and bank balances	3,800	4,798
Liquid investments	112,427	103,753
Total cash and cash equivalents as per Statement of Financial Position	116,227	108,551
Less: Bank overdraft	(980)	-
Cash and cash equivalents as per Statement of Cash Flows	115,247	108,551



A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The Condensed Consolidated Interim Financial Statements ("Condensed Report") 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed Report also complies with International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. This Condensed Report should be read in conjunction with the audited financial statements of Pecca Group Berhad ("Pecca" or the "Company") and its subsidiaries (the "Group") for the financial year ended 30 June 2025.

The explanatory notes to this Condensed 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 Group since the financial year ended 30 June 2025.

This Condensed 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 this Condensed Report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2025. 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 reporting periods beginning on or after 1 January 2026

- Annual Improvements to MFRS Accounting Standards - Volume 11
- Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments*
- Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures: Contracts Referencing Nature-dependent Electricity*

Effective for annual reporting periods beginning on or after 1 January 2027

- MFRS 18 *Presentation and Disclosure in Financial Statements*
- MFRS 19 *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 19: *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121: *Translation to a Hyperinflationary Presentation Currency*

Effective date of the following Amendments has been deferred to a date to be announced by the MASB

- Amendments to MFRS 10: *Consolidated Financial Statements* and MFRS 128 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The above pronouncements are either not relevant or do not have any material impact to the financial statements of the Group.

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A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING *(continued)***A3. Auditors' report on preceding financial year financial statements**

There was no qualification to the audited financial statements of the Group for the financial year ended 30 June 2025.

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 and year-to-date ended 31 December 2025.

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 during the current quarter and year-to-date ended 31 December 2025.

A6. Changes in estimates

There were no changes in estimates of amounts reported in prior periods that had a material effect during the current quarter and year-to-date ended 31 December 2025.

A7. Debt and equity securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter. As at 31 December 2025, the number of treasury shares held were 27,545,068 ordinary shares at RM35,124,806.

A8. Dividends paid

	30.12.2025	30.12.2024
	RM'000	RM'000
In respect of financial year ending 30 June 2026		
First interim single-tier dividend paid on 19 December 2025*		
- 1.50 sen per ordinary share	10,866	-
In respect of financial year ended 30 June 2025		
First interim single-tier dividend paid on 20 December 2024		
- 1.50 sen per ordinary share	-	10,948
Fourth interim single-tier dividend paid on 26 September 2025*		
- 1.00 sen per ordinary share	7,245	-
In respect of financial year ended 30 June 2024		
Third interim single-tier dividend paid on 25 July 2024		
- 1.50 sen per ordinary share	-	11,277
Fourth interim single-tier dividend paid on 20 September 2024		
- 1.50 sen per ordinary share	-	11,126
Special interim single-tier dividend paid on 13 December 2024		
- 1.50 sen per ordinary share	-	10,948
	<u>18,111</u>	<u>44,299</u>

* Dividends declared by the Group during year-to-date ended 31 December 2025



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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 Automotive, Aviation and others. The Automotive segment focuses on styling, manufacturing, distribution and installation of automotive leather upholstery for car seat covers and accessories covers. The Aviation segment provides services in manufacturing, repair, refurbishment, distribution, and installation of aircraft seat covers and parts refurbishment. The breakdown of the Group's total revenue by business activities and products are as follows: -

	Current / Preceding Quarter Ended		Cumulative Quarter Ended		
	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000	
AUTOMOTIVE (MALAYSIA)					
Car seat covers					
- OEM ⁽¹⁾	54,508	53,288	104,924	99,626	
- REM ⁽¹⁾	2,644	1,627	4,220	3,927	
- PDI ⁽¹⁾	1,257	2,026	2,863	3,764	
Sub-total for car seat covers	58,409	56,941	112,007	107,317	
Sewing of fabric car seat covers					
- OEM ⁽¹⁾	3,139	2,984	6,445	5,949	
Manufacturing of leather/PVC car accessories covers and miscellaneous seat covers, and provision of wrapping and stitching services					
- OEM ⁽¹⁾	366	326	625	627	
- REM ⁽¹⁾	634	605	1,251	1,323	
	1,000	931	1,876	1,950	
Leather cut pieces supply					
- OEM ⁽¹⁾	57	50	134	132	
- REM ⁽¹⁾	40	69	89	120	
	97	119	223	252	
SUB-TOTAL AUTOMOTIVE (MALAYSIA)	(A)	62,645	60,975	120,551	115,468
AUTOMOTIVE (INDONESIA)					
Car seat covers					
- OEM ⁽¹⁾	214	-	363	-	
- REM ⁽¹⁾	101	18	228	85	
- PDI ⁽¹⁾	334	372	636	791	
Sub-total for car seat covers	649	390	1,227	876	
Manufacturing of leather/PVC car accessories covers and miscellaneous seat covers, and provision of wrapping and stitching services					
- OEM ⁽¹⁾	1,103	996	2,307	1,694	
- REM ⁽¹⁾	13	5	18	5	
	1,116	1,001	2,325	1,699	
SUB-TOTAL AUTOMOTIVE (INDONESIA)	(B)	1,765	1,391	3,552	2,575
AVIATION	(C)	589	188	1,380	418
OTHERS	(D)	14	91	123	95
GRAND TOTAL	(E) = A+B+C+D	65,013	62,645	125,606	118,556

Note:

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

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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: -

	Current / Preceding Quarter Ended		Cumulative Quarter Ended	
	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Malaysia	60,335	59,533	117,304	111,527
Rest of Asia	2,857	1,826	5,097	3,950
Europe	1,166	926	2,100	1,868
North America	607	263	961	996
Oceania	48	97	144	215
	<u>65,013</u>	<u>62,645</u>	<u>125,606</u>	<u>118,556</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

As at 31 December 2025, there were no authorised capital commitments.

A12. Changes in the composition of the Group

There were no material changes in the composition of the Group during the current quarter and year-to-date ended 31 December 2025.

A13. Contingent liabilities or contingent assets

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

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

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

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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 cumulated quarter ended 31 December 2025 are as follows: -

	Current Quarter Ended 31.12.2025 RM'000	Cumulative Quarter Ended 31.12.2025 RM'000
Sales to related parties		
- Rentas Health Sdn. Bhd.	10	108
- Pecman Sdn. Bhd.	1	2
Rental charges to related parties		
- Tint Auto (M) Sdn. Bhd.	54	108
- Rentas Health Sdn. Bhd.	43	86
Management service to related parties		
- Tint Auto (M) Sdn. Bhd.	30	45
- Rentas Health Sdn. Bhd.	6	12
- Pecman Sdn. Bhd.	2	3

Note:

(1) The related party is a company in which certain Directors and substantial shareholders of the Group have interests.

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B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance review

2Q 2026 vs 2Q 2025

For the quarter ended 31 December 2025 ("2Q 2026"), the Group recorded revenue of RM65.0 million, an increase of 3.8% from RM62.6 million in the corresponding quarter ended 31 December 2024 ("2Q 2025"). The increase was mainly driven by higher sales volume from the Automotive segment in Malaysia and Indonesia, as well as initial contributions from the Aviation segment.

The automotive segment contributed 99.1% of the total Group revenue in 2Q 2026, with OEM contributing 91.3%, REM 5.4%, and PDI 2.4%. The automotive segment encompasses manufacturing of car seat covers, car accessories covers and miscellaneous seat covers, wrapping and stitching services, and supply of leather cut pieces across Malaysia and Indonesia. The aviation segment contributed approximately 0.9% of total Group revenue.

The Group achieved profit after tax ("PAT") of RM15.6 million for 2Q 2026, which rose by 2.0% from RM15.4 million in 2Q 2025. Continued initiatives to improve production cost efficiency across all segments, and disciplined management of selling and distribution expenses, enabled the Group to benefit from economies of scale. Meanwhile, finance income was lower due to utilisation of cash and cash equivalents for dividends and capital expenditure.

B2. Financial review for the current quarter compared with the immediate preceding quarter

	Current Year Quarter 31.12.2025 ("2Q 2026") RM'000	Immediate Preceding Quarter 30.09.2025 ("1Q 2026") RM'000	Variance	
			RM'000	%
Revenue	65,013	60,593	4,420	7%
Profit after tax	15,553	15,380	173	1%

Revenue for 2Q 2026 increased by 7.3% to RM65.0 million from RM60.6 million in the preceding quarter ended 30 September 2025 ("1Q 2026"). The growth was primarily driven by higher sales volume from the Automotive segment in Malaysia and Indonesia, as well as initial contributions from the Aviation segment.

In line with higher revenue, the Group's PAT for 2Q 2026 rose 1.1% to RM15.6 million from RM15.4 million in 1Q 2026

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B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD *(continued)*

B3. Prospects

Automotive Segment

Malaysia's automotive sector total industry volume ("TIV") reached an all-time high of 820,752 units in 2025, marking a four-year growth streak and a 0.5% increase from 816,747 units in 2024, according to the Malaysian Automotive Association ("MAA"). The strong performance was supported by strong domestic demand, lower interest rates, electric vehicles ("EV") launches, and aggressive year-end promotions.

Moving forward, the MAA expects TIV of 790,000 units in 2026, 3.7% lower compared to 2025, due to a more moderate economic growth, cost pressures, policy changes affecting vehicle affordability, and the expiry of tax incentives for imported EVs.

As part of its strategic expansion toward Tier-1 automotive component manufacturer status, the Group is finalising its seat assembly line for customer audits ahead of production. Work is also progressing on the second manufacturing facility at the UMW High Value Manufacturing Park in Serendah, Selangor, with Phase 1 targeted for completion in the second half of 2026. The new facility will support the Group's ambitions to capture growing demand for locomotive, aviation, and automotive seating, upholstery, and interior components.

- Original Equipment Manufacturer

The Group is expanding its product offerings to local and international OEMs, while enhancing its capabilities as a full-solution provider for integrated interiors. This includes full seat assembly and a broader portfolio of components beyond the recent innovative instrument panel leather wrap, enabling the Group to enter more integrated segments across the value chain.

The Group, through its subsidiary PT Pecca Gemilang Indonesia, is expanding its presence in the Indonesian automotive sector by pursuing new OEM contracts and continuing to supply seat and accessory covers, as well as provide wrapping and stitching services to OEMs, REMs, and PDI customers.

- Replacement Equipment Manufacturer

The Group is expanding the reach of its REM products across local and international markets, including the Netherlands, Singapore, and Ireland. It is also increasing supply to new and existing markets, including the U.S., Australia, the United Kingdom, Canada, New Zealand, the Middle East, and Europe, where demand for customised, high-quality components remains strong.

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B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD *(continued)*

B3. Prospects *(continued)*

Aviation Segment

Malaysia's aviation sector is poised for sustained growth as the country's aerospace industry revenue is expected to hit RM30.0 billion in 2025 from RM25.1 billion (USD5.9 billion) in 2024. The positive outlook points to sustained long-term growth in the aerospace and aviation sectors, reinforcing Malaysia's position as a regional Maintenance, Repair, and Overhaul ("MRO") hub and resulting in greater demand for MRO services.

The Group's Aviation segment is gaining momentum, driven by long-term MRO projects with established customers and a steady pipeline of cabin interior refurbishment projects across airlines, helicopter operators, and private aircraft owners. The Group is also expanding beyond traditional MRO activities into high-value segments, including additive manufacturing for aerospace components, non-structural cabin plastic fabrication, and integrated In-Flight Entertainment ("IFE") solutions.

In addition to existing approvals from the Civil Aviation Authority of Malaysia ("CAAM") and the European Union Aviation Safety Agency ("EASA"), the Group is expanding the scope of its EASA Production Organisation Approval ("POA") towards EASA Design Organisation Approval ("DOA"), and pursuing approvals from key regional regulators in Indonesia, Singapore, and Thailand. These regulatory clearances enhance regional market access, reinforce customer confidence and strengthen the Group's market presence, positioning the Group to capture a larger share of Southeast Asia's growing aviation services market.

Group Outlook

The Group maintains a positive outlook for the financial year ending 30 June 2026, supported by strong new model pipeline from key automotive customers and the ramp-up of high-margin segments, including aviation, locomotive, and the REM export market.

The Group's growth strategy continues to prioritise geographic expansion and diversification across four key pillars: OEM, REM, Aviation, and Emerging Ventures. The Group continues to enhance its manufacturing capabilities and skilled craftsmanship, improve efficiency, and maintain cost competitiveness, through the adoption of automation and technology.

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B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)**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.

B5. Profit before taxation

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

	Current Quarter Ended 31.12.2025 RM'000	Cumulative Quarter Ended 31.12.2025 RM'000
Finance income	(857)	(1,715)
Finance cost	164	247
Depreciation of:		
- Property, plant and equipment	1,404	2,761
- Right-of-use assets	342	655
Realised gain on foreign exchange	(33)	(114)
Unrealised (gain)/loss on foreign exchange	(14)	117

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 Malaysia Securities Berhad are not applicable.

B6. Taxation

	Current Quarter Ended 31.12.2025 RM'000	Cumulative Quarter Ended 31.12.2025 RM'000
Income tax expense	5,123	10,084

The effective tax rate for the financial year ended is slightly higher of 24.58% compared to the statutory tax rate of 24.00%, mainly due to certain expenses which are not deductible for taxation purpose.

B7. Status of corporate proposals

There was no corporate proposal announced and not completed as at the date of this Condensed Report.



PECCA GROUP BERHAD

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

B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

B8. Utilisation of proceeds

As announced on 23 April 2018, the Board of Directors ("Board") approved the variation of the utilisation of IPO proceeds amounting to RM6.60 million and the extension of time for the utilisation of IPO proceeds amounting to RM2.62 million for a further 24 months, from 19 April 2018 to 19 April 2020. Thereafter, the Board approved a further variation in the utilisation of the proceeds for working capital purposes, together with an extension of the utilisation period for another 24 months, from 19 April 2020 to 19 April 2022. In view of the COVID-19 pandemic and the Movement Control Order enforced by the Government from March 2020 until the transition to the endemic phase announced in April 2022, the Board approved a further extension of the utilisation period for working capital proceeds for another 24 months, from 19 April 2022 to 19 April 2024. A subsequent extension of time for a further 24 months, from 19 April 2024 to 19 April 2026, was approved by the Board in light of the REM segment's expansion into export markets, including countries such as the U.S., the 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 31 December 2025 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	-	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	-	0	0	100
g) Expansion of aviation business	-	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	(481)	24
- Thailand	-	0	0	100
- Aviation	-	745	(745)	100
Total Public Issue Proceeds		67,870	(66,351)	98

Note:

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

**PECCA GROUP BERHAD**

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B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)**B9. Group borrowings**

	Current Quarter Ended 31.12.2025 RM'000	As at 30.06.2025 Audited RM'000
Short term borrowings		
Secured:		
Hire Purchase Payable	378	683
Term Loan	1,980	630
Bank overdraft	980	-
	<u>3,338</u>	<u>1,313</u>
Long term borrowings		
Secured:		
Hire Purchase Payable	166	289
Term Loan	12,286	3,780
	<u>12,452</u>	<u>4,069</u>
	<u>15,790</u>	<u>5,382</u>

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

As at 31 December 2025, a term loan of RM10.50 million was drawn down to partially finance the acquisition of the land. Furthermore, a bank overdraft of RM0.98 million was utilised for working capital purpose. The Group has extended corporate guarantees amounting to RM14.27 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 Condensed Report.

B11. Dividend proposed

Other than the dividends paid as disclosed in Note A8, the Board has declared and approved the second interim single-tier dividend of 1.50 sen per ordinary share in respect of the financial year ending 30 June 2026. The dividend will be payable on 27 March 2026 to shareholders whose names appeared in the Record of Depositors of the Company at the close of business on 16 March 2026. The total dividend declared for the current financial period is 3.00 sen per ordinary share (31 December 2024: 3.00 sen per ordinary share).

**PECCA GROUP BERHAD**

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B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD *(continued)***B12. Earnings per share**

(a) Basic earnings per ordinary share

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

	Current Quarter Ended 31.12.2025 RM'000	Cumulative Quarter Ended 31.12.2025 RM'000
Profit attributable to equity holders of the company	<u>15,570</u>	<u>30,955</u>
Weighted average number of ordinary shares in issue excluding Treasury Shares	<u>724,769</u>	<u>724,769</u>
Basic earnings per ordinary share (sen)	<u>2.15</u>	<u>4.27</u>
Diluted earnings per ordinary share (sen)	<u>2.15</u>	<u>4.27</u>

(b) Diluted earnings per ordinary share

There is no dilution in its earnings per ordinary share as at 31 December 2025.

B13. Authorisation for issue

The Condensed Report was authorised for issue by the Board on 26 February 2026.

BY ORDER OF THE BOARD

Kuala Lumpur
26 February 2026