



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 FOURTH QUARTER ENDED 30 JUNE 2024

	Notes	Individual Quarter			Cumulative Quarter		
		Current Year Quarter	Preceding Year Quarter	Variance %	Current Year-To-Date	Preceding Year-To-Date	Variance %
		30.06.2024 RM'000	30.06.2023 RM'000		30.06.2024 RM'000	30.06.2023 RM'000	
Revenue	A9	54,994	54,329	1%	242,423	221,258	10%
Cost of sales		(31,750)	(35,343)	(10%)	(147,498)	(153,499)	(4%)
Gross profit		23,244	18,986	22%	94,925	67,759	40%
Other Income		2,115	427	395%	2,891	1,002	189%
Selling and distribution expenses		(1,743)	(1,552)	12%	(7,064)	(6,346)	11%
Administrative expenses		(6,020)	(4,943)	22%	(22,436)	(17,523)	28%
Operating Profit		17,596	12,918	36%	68,316	44,892	52%
Finance income		1,259	710	77%	4,181	2,398	74%
Finance costs		(79)	(98)	(19%)	(339)	(343)	(1%)
Share of result of joint venture		-	(9)	(100%)	-	-	0%
Profit before tax	B5	18,776	13,521	39%	72,158	46,947	54%
Income tax expense	B6	(4,211)	(3,418)	23%	(17,125)	(11,521)	49%
Profit for the period		14,565	10,103	44%	55,033	35,426	55%
Other comprehensive income, net of tax							
Revaluation of land and buildings		-	8,200	100%	-	8,200	
Actuarial loss on employment benefit		(2)	(2)	100%	(7)	(2)	100%
Foreign currency translation differences on foreign operations		(46)	118	-139%	(153)	110	-239%
Total comprehensive income for the financial period		14,517	18,419	-21%	54,873	35,534	54%
Profit attributable to:							
Owners of the company		14,567	10,084	44%	55,010	35,404	55%
Non-controlling interests		(2)	19	100%	23	22	5%
Profit for the period		14,565	10,103	44%	55,033	35,426	55%
Total comprehensive income for the financial period							
Owners of the Company		14,528	18,378	-21%	54,881	43,694	26%
Non-controlling interests		(11)	41	100%	(8)	40	100%
Total comprehensive income for the financial period		14,517	18,419	-21%	54,873	43,734	25%
Earnings per share attributable to Owners of the Company (sen) ⁽²⁾							
- Basic	B12	1.94	1.34	45%	7.32	4.71	55%
- Diluted		1.94	1.34	45%	7.32	4.71	55%

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 Condensed Report.

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



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Unaudited 30.06.2024 RM'000	Audited 30.06.2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	41,655	42,784
Right-of-use assets	23,617	24,469
Goodwill	140	140
Deferred tax assets	9	-
Other investments	418	419
	<u>65,839</u>	<u>67,812</u>
Current Assets		
Inventories	24,223	28,445
Trade and other receivables	43,183	54,856
Contract assets	7	130
Prepayments	1,618	1,526
Current tax assets	642	35
Cash and bank balances	153,672	111,232
	<u>223,345</u>	<u>196,224</u>
Total assets	<u><u>289,184</u></u>	<u><u>264,036</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	135,702	135,702
Reserves	98,158	77,108
	<u>233,860</u>	<u>212,810</u>
Non-controlling interest	708	410
Equity attributable to owners of the Company	<u><u>234,568</u></u>	<u><u>213,220</u></u>
Liabilities		
Non-current liabilities		
Deferred tax liabilities	5,744	6,632
Employee benefits	42	30
Borrowings	4,410	5,040
Lease liabilities	287	478
	<u>10,483</u>	<u>12,180</u>
Current Liabilities		
Trade and other payables	22,435	19,819
Dividend payable	11,277	5,112
Contract liabilities	50	-
Borrowings	1,829	6,830
Lease liabilities	1,474	534
Current tax liabilities	7,068	6,341
	<u>44,133</u>	<u>38,636</u>
Total liabilities	<u><u>54,616</u></u>	<u><u>50,816</u></u>
Total equity and liabilities	<u><u>289,184</u></u>	<u><u>264,036</u></u>
Net assets per share attributable to owners of the parents (sen) ⁽²⁾		
	<u>31.11</u>	<u>28.31</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 2023 and the explanatory notes attached to this Condensed Report.

(2) Based on the number of ordinary shares in issue less Treasury Shares as at 30 June 2024 of 751,783,132 (30 June 2023: 751,783,132).



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

	← 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 01.07.2023	135,702	(60)	(60,822)	100	18,965	(2)	118,927	212,810	410	213,220
Profit after taxation for the financial year	-	-	-	-	-	-	55,010	55,010	23	55,033
Other comprehensive income for the financial year:										
- Actuarial loss on employment benefit	-	-	-	-	-	(6)	-	(6)	(1)	(7)
- Foreign currency translation differences on foreign operations	-	-	-	(124)	-	-	-	(124)	33	(91)
Transactions with owners										
- Dividend distributions to owners of the Company	-	-	-	-	-	-	(33,830)	(33,830)	-	(33,830)
- Non-controlling interest arising from increase in share capital of a subsidiary								-	243	243
At 30.06.2024	135,702	(60)	(60,822)	(24)	18,965	(8)	140,107	233,860	708	234,568

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 Condensed Report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

	12 months ended 30 June	
	2024	2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	72,158	46,947
Adjustments for:		
Depreciation of property, plant and equipment	4,698	4,223
Depreciation of right-of-use assets	797	636
Amortisation of intangible assets	1	-
Plant and equipment written off	18	151
Gain on disposal of plant and equipment	(258)	(30)
Impairment loss on trade receivables	207	120
Impairment loss on plant and machineries	1,000	2,000
Inventories written down	1,017	750
Loss on derecognition of lease liabilities	-	11
Unrealised loss/(gain) on foreign exchange	83	(349)
Finance costs	339	343
Finance income	(4,181)	(2,398)
Operating profit before changes in working capital	<u>75,879</u>	<u>52,404</u>
Changes in working capital:		
Inventories	3,171	360
Trade and other receivables	11,872	(6,951)
Contract asset	123	207
Prepayments	(218)	1,761
Trade and other payables	2,654	(115)
Contract liability	50	-
Post-employment benefit	6	5
Cash generated from operations	<u>93,537</u>	<u>47,671</u>
Income tax paid	(17,507)	(7,668)
Interest paid	(339)	(343)
Net cash from operating activities	<u>75,691</u>	<u>39,660</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(3,893)	(4,086)
Net cash on acquisition of a subsidiary	-	(995)
Proceeds from disposal of plant and equipment	369	337
Interest received	4,181	2,398
Net cash from/(for) investing activities	<u>657</u>	<u>(2,346)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(470)	(716)
Dividends paid	(27,666)	(15,637)
Net change in borrowings	(5,631)	2,986
Net cash for financing activities	<u>(33,767)</u>	<u>(13,367)</u>
Net increase in cash and cash equivalents	42,581	23,947
Effect of exchange rate fluctuations on cash held	(141)	477
Cash and cash equivalents at the beginning of financial year	<u>111,232</u>	<u>86,808</u>
Cash and cash equivalents at the end of financial year	<u>153,672</u>	<u>111,232</u>

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 Condensed Report.



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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 2023.

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 2023.

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 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

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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 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 June 2024, the number of treasury shares held were 216,868 ordinary shares at RM60,173.

A8. Dividend paid

	30.06.2024	30.06.2023
	RM'000	RM'000
In respect of financial year ended 30 June 2024		
First interim single-tier dividend paid on 8 December 2023		
- 1.00 sen per ordinary share	7,518	-
Second interim single-tier dividend paid on 27 March 2024		
- 1.00 sen per ordinary share	7,518	-
In respect of financial year ended 30 June 2023		
First interim single-tier dividend paid on 7 February 2023		
- 0.68 sen per ordinary share	-	5,112
Second interim single-tier dividend paid on 7 July 2023		
- 0.68 sen per ordinary share	5,112	-
Third interim single-tier dividend paid on 29 September 2023		
- 1.00 sen per ordinary share	7,518	-
In respect of financial year ended 30 June 2022		
First interim single-tier dividend paid on 16 August 2022		
- 1.40 sen per ordinary share	-	10,525
	<u>27,266</u>	<u>15,637</u>

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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 Quarter Ended		Cumulative Quarter Ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
<u>AUTOMOTIVE</u>				
Car seat covers				
- OEM ⁽¹⁾	45,111	41,509	195,375	166,353
- REM ⁽¹⁾	2,092	1,711	7,859	7,457
- PDI ⁽¹⁾	3,086	5,114	16,637	20,376
Sub-total for car seat covers	50,289	48,334	219,871	194,186
Leather cut pieces supply	225	134	659	5,666
Sewing of fabric car seat covers	2,617	2,440	12,258	9,908
Manufacturing of leather/PVC car accessories covers and miscellaneous seat covers, provision of wrapping and stitching services and supply of raw materials	1,820	2,665	7,736	7,602
	54,951	53,573	240,524	217,362
<u>OTHERS</u>	43	756	1,899	3,896
<u>GRAND TOTAL</u>	54,994	54,329	242,423	221,258

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 Quarter Ended		Cumulative Quarter Ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Malaysia	51,509	50,577	228,479	210,788
Rest of Asia	2,046	2,116	8,286	3,298
Europe	958	1,098	3,554	4,612
North America	340	364	1,680	1,665
Oceania	141	174	424	895
	<u>54,994</u>	<u>54,329</u>	<u>242,423</u>	<u>221,258</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 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 cumulative quarter ended 30 June 2024 are as follows:

	Current Quarter Ended 30.06.2024 RM'000	Cumulative Quarter Ended 30.06.2024 RM'000
Sales to related party		
- Rentas Health Sdn Bhd	109	2,451
Rental charges to related parties		
- Tint Auto (M) Sdn Bhd	54	216
- Rentas Health Sdn Bhd	53	222
Management service to related parties		
- Tint Auto (M) Sdn Bhd	15	60
- Rentas Health Sdn Bhd	6	24
- Pecman Sdn Bhd	1	1

Note:

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

Q4 FY2024 vs Q4 FY2023

For the quarter under review, the Group recorded a revenue of RM54.99 million and a profit after tax ("PAT") of RM14.57 million which signifies an increase of 1% and 44% in revenue and PAT respectively as compared to the preceding year's corresponding quarter.

FY2024 vs FY2023

The Group reported higher revenue of RM242.4 million and a PAT of RM55.03 million for the financial year ended 30 June 2024 ("FY2024"). This represents a 10% and 55% increase compared to the financial year ended 30 June 2023 ("FY2023"), respectively.

The improvement in PAT was mainly attributable to better production cost efficiency achieved in the Automotive segment.

The Group's revenue was driven by upholstery car seat covers, sewing and supply of car accessories cover, and the provision of wrapping and stitching services, which together contributed approximately 99% of the total revenue respectively. Within the leather car seat covers segment, OEM contributed about 90% of the total revenue, while REM and PDI contributed about 10%.

In FY2024, PT Pecca Gemilang Indonesia, our newly acquired subsidiary since 1 April 2023, accounted for a full year revenue, whereas in FY2023, revenue was recorded for a 3-month period.

The higher administrative expenses were due to increased staff costs, which align with the ongoing business expansion activities.

The improved finance income resulted from enhanced operating cash flow and optimised financial resource management.

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B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)**B2. Financial review for the current quarter compared with the immediately preceding quarter**

	Current Year Quarter 30.06.2024 RM'000	Immediate Preceding Quarter 31.03.2024 RM'000	Variance	
			RM'000	%
Revenue	54,994	58,625	(3,631)	-6%
Profit after tax	14,565	14,034	531	4%

For the current quarter under review, the Group recorded a slight lower revenue of RM54.99 million as compared to RM58.63 million in the immediate preceding quarter. The decrease of revenue is mainly due to the factory closure of customers during festival seasons of Hari Raya Aidilfitri and Hari Raya Haji in the months of April 2024 and June 2024, which resulted in lower sales volume for Q4'FY2024.

Despite the reduction in revenue, the PAT in the current quarter has improved by 4% to RM14.57 million from RM14.03 million in the immediate preceding quarter. This was mainly attributable to further cost efficiency achieved in production.

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

B3. Prospects

According to Bank Negara Malaysia ("BNM"), the Malaysian economy is projected to grow between 4.0% and 5.0% in 2024, compared to 3.7% in 2023. Malaysia's economic growth will be driven primarily by strong domestic consumption as well as improved export performance.

As a key player in the global semiconductor and electronics supply chain, Malaysia is poised to capitalize on the ongoing technology upcycle, which is being fueled by surging demand for 5G connectivity, artificial intelligence, electric vehicles, and automation.

Another positive for the local economy has been the rise in tourism, the third-largest contributor to Malaysia's Gross Domestic Product. Malaysia is witnessing a significant increase in foreign tourist arrivals, with 7.5 million visitors from January to April 2024.

As such, BNM expects increased investment activity, higher tourism activities, as well as the technology upcycle, to be the key drivers of Malaysia's growth outlook.

The automotive industry is inherently cyclical, reflecting broader economic trends. When the economy is growing, consumers are more likely to purchase new vehicles; when it is slowing, they tend to delay these purchases. In this context, the Group stands to benefit from Malaysia's continued economic growth, which should sustain demand for new vehicles and, by extension, our products.

Automotive segment

The Group currently derives most of its revenue from the automotive sector in Malaysia. In the first six months of 2024, the industry continued to witness robust growth, driven largely by the strength of the local economy. New vehicle sales measured by total industry volume ("TIV") reached 390,296 units, a 6.6% year-on-year increase.

In July 2024, taking into account the industry's robust sales performance for the first half of the year, the Malaysian Automotive Association ("MAA") raised its TIV projection for the full year by 3.4%. The MAA now projects TIV of 765,000 units for 2024, up from its earlier forecast of 740,000 units. If this projection turns out to be accurate, Malaysia's automotive industry is set for its second-best year on record.

We continue to make headway in our efforts to increase revenue contribution from the Replacement Equipment Manufacturer ("REM") segment. In FY2025, we aim to secure more REM orders by widening our market share in the United States, the Middle East, Australia, Singapore, and Europe. These markets are characterized by car owners who are more willing to spend on a wide range of custom vehicle modifications. REM parts generally command better profit margins than that of Original Equipment Manufacturer ("OEM") parts, as greater demands are placed on customization, style and exclusivity.



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

B3. Prospects *(continued)*

In Indonesia, we are working on securing OEM contracts for PT Pecca Gemilang Indonesia ("PT PGI") which will increase our share of the local automotive market.

While OEM contracts often have multi-year lifespans due to high switching costs, securing these contracts is not an overnight process. Generally, it typically takes 2 to 3 years to secure a single OEM contract.

We have a strong reputation in the regional automotive industry, as well as access to the key local automotive players in Indonesia. With PT PGI, we not only have a foothold in the Indonesian market, but also a "foot in the door" when it comes to bidding for new projects. As such, we are confident that we can grow our market share in the coming fiscal year and beyond.

We continue to make progress on our second plant at the UMW High Value Manufacturing Park in Serendah, Selangor. When this new plant comes onstream, it will double our production capacity, enabling us to meet demand from existing and new customers.

Aviation segment

In the fourth quarter of FY2024, we completed our first purchase order to service a 180-seat, Europe-registered Airbus A320 passenger aircraft. This milestone unlocks opportunities for future projects.

In FY2025, our immediate strategic priorities are to widen our regional customer base, secure more passenger aircraft orders, and expand our product and service offerings through both organic growth and strategic acquisitions.

Overall business

In FY2025, we expect our financial performance to be driven by sustained robust demand for automotive upholstery in Malaysia.

We will continue our efforts to expand and diversify into new markets across our four key pillars, namely, OEM, REM, Aviation, and Emerging Ventures.

With our strong financial position, we have the financial firepower to accelerate our growth, while retaining the optionality to tap capital markets if needed. We continue to be on the prowl for strategic mergers and acquisitions and synergistic partnerships that align with the Group's long-term strategic focus across our key markets. The Group is committed to investing and operating with a five to ten-year time horizon, prioritizing sustained long-term returns over immediate financial gains.

On the operational front, we will maintain our focus on organisational and manufacturing excellence.

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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 tax

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

	Current Quarter Ended 30.06.2024 RM'000	Cumulative Quarter Ended 30.06.2024 RM'000
Finance income	(1,259)	(4,181)
Finance cost	79	339
Depreciation of:		
- Property, plant and equipment	1,200	4,698
- Right-of-use assets	190	797
Realised gain on foreign exchange	(13)	(144)
Unrealised loss on foreign exchange	18	83

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 30.06.2024 RM'000	Cumulative Quarter Ended 30.06.2024 RM'000
Income tax expense	4,211	17,125

The effective tax rate for the cumulative quarter is same as the statutory tax rate of 24.00%.

B7. Status of Corporate Proposals

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

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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 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. 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.

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 30 June 2024 is as follows:

Purposes	Revised Expected Timeframe for Utilisation (from 19 April 2018)	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	-	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	(673)	90
Total Public Issue Proceeds		67,870	(65,838)	97

Note:

(a) 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 30.06.2024 RM'000	Audited 30.06.2023 RM'000
Short term borrowings		
Secured:		
Banker Acceptance	799	3,800
Post Shipment Buyer Loan	400	2,400
Term Loan	630	630
	<hr/> 1,829	<hr/> 6,830
Long term borrowings		
Secured:		
Term Loan	4,410	5,040
	<hr/> 4,410	<hr/> 5,040
	<hr/> 6,239	<hr/> 11,870

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

As at 30 June 2024, the Group has extended corporate guarantees amounting to RM6.24 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 of Directors has declared and approved the following dividends in respect of the financial year ended 30 June 2024:

- 1) Third interim single-tier dividend of 1.50 sen per ordinary share. The dividend was paid on 25 July 2024.
- 2) Fourth interim single-tier dividend of 1.50 sen per ordinary share. The dividend is payable on 20 September 2024 to shareholders whose names appeared in the Record of Depositors of the Company at the close of business on 10 September 2024.

The total dividend declared for current financial year is 5.00 sen per ordinary share (30 June 2023: 2.76 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 ("EPS")**

a) Basic earnings per share

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

	Current Quarter Ended 30.06.2024 RM'000	Cumulative Quarter Ended 30.06.2024 RM'000
Profit attributable to equity holders	<u>14,567</u>	<u>55,010</u>
Weighted average number of ordinary shares in issue excluding Treasury Shares	<u>751,783</u>	<u>751,783</u>
Basic earnings per share (sen)	<u>1.94</u>	<u>7.32</u>
Diluted earnings per share (sen)	<u>1.94</u>	<u>7.32</u>

(b) Diluted earnings per share

There are no diluted earnings per share as the Group does not have any convertible financial instruments as at the end of the financial year ended 30 June 2024.

B13. Authorisation for Issue

The Condensed Report was authorised for issue by the Board of Directors on 22 August 2024.

BY ORDER OF THE BOARD

Kuala Lumpur
22 August 2024