



P E C C A

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 2025

	Notes	Individual Quarter			Cumulative Quarter		
		Current Year Quarter	Preceding Year Quarter	Variance %	Current Year Ended	Preceding Year Ended	Variance %
		30.06.2025 RM'000	30.06.2024 RM'000		30.06.2025 RM'000	30.06.2024 RM'000	
Revenue	A9	52,844	54,994	(3.9%)	224,500	242,423	(7.4%)
Cost of sales		(29,932)	(31,750)	(5.7%)	(126,694)	(147,498)	(14.1%)
Gross profit		22,912	23,244	(1.4%)	97,806	94,925	3.0%
Other Income		276	2,115	(87.0%)	748	2,891	(74.1%)
Selling and distribution expenses		(1,578)	(1,743)	(9.5%)	(6,974)	(7,064)	(1.3%)
Administrative expenses		(4,757)	(6,020)	(21.0%)	(19,326)	(22,436)	(13.9%)
Results from operating activities		16,853	17,596	(4.2%)	72,254	68,316	5.8%
Finance income		954	1,259	(24.2%)	4,113	4,181	(1.6%)
Finance costs		(122)	(79)	54.4%	(337)	(339)	(0.6%)
Profit before taxation	B5	17,685	18,776	(5.8%)	76,030	72,158	5.4%
Income tax expense	B6	(4,173)	(4,211)	(0.9%)	(18,385)	(17,125)	7.4%
Profit for the period		13,512	14,565	(7.2%)	57,645	55,033	4.7%
Other comprehensive income, net of tax							
Actuarial loss on employment benefit		10	(2)	-600%	10	(7)	100%
Foreign currency translation differences on foreign operations		(101)	(46)	120%	(393)	(153)	157%
Total comprehensive income for the financial period		13,421	14,517	-8%	57,262	54,873	4%
Profit attributable to:-							
Owners of the company		13,518	14,567	-7%	57,670	55,010	5%
Non-controlling interests		(6)	(2)	200%	(25)	23	(209%)
Profit for the period		13,512	14,565	-7%	57,645	55,033	5%
Total comprehensive income attributable to:-							
Owners of the Company		13,444	14,528	-7%	57,364	54,881	5%
Non-controlling interests		(23)	(11)	109%	(102)	(8)	100%
Total comprehensive income for the financial period		13,421	14,517	-8%	57,262	54,873	4%
Earnings per share attributable to Owners of the Company (sen) ⁽²⁾							
- Basic	B12	1.86	1.94	-4%	7.93	7.32	8%
- Diluted		1.86	1.94	-4%	7.93	7.32	8%

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 2024 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.

**PECCA GROUP BERHAD**

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	As at 30.06.2025 Unaudited RM'000	As at 30.06.2024 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	41,554	41,655
Right-of-use assets	23,508	23,617
Other investments	418	418
Goodwill	140	140
	<u>65,620</u>	<u>65,830</u>
Current Assets		
Inventories	24,741	24,223
Trade and other receivables	37,402	42,485
Contract assets	144	7
Prepayments	12,217	1,777
Current tax assets	74	645
Cash and cash equivalents	104,910	153,682
	<u>179,488</u>	<u>222,819</u>
Total assets	<u>245,108</u>	<u>288,649</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	135,702	135,702
Reserves	73,311	98,142
Total equity attributable to owners of the Company	<u>209,013</u>	<u>233,844</u>
Non-controlling interests	568	670
	<u>209,581</u>	<u>234,514</u>
Liabilities		
Non-current liabilities		
Deferred tax liabilities	7,012	5,735
Lease liabilities	108	37
Employee benefits	25	42
Borrowings	4,069	4,645
	<u>11,214</u>	<u>10,459</u>
Current Liabilities		
Trade and other payables	19,624	22,282
Dividend payable	-	11,277
Current tax liabilities	3,056	7,456
Lease liabilities	320	418
Borrowings	1,313	2,243
	<u>24,313</u>	<u>43,676</u>
Total liabilities	<u>35,527</u>	<u>54,135</u>
Total equity and liabilities	<u>245,108</u>	<u>288,649</u>
Net assets per share attributable to owners of the parents (sen) ⁽²⁾	<u>28.74</u>	<u>31.11</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 2024 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 2025 of 727,275,732 (30 June 2024: 751,783,132).



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 30 JUNE 2025

	Attributable to owners of the Company									
	Non-distributable					Distributable			Non-controlling Interests	Total Equity
	Share Capital RM'000	Treasury Shares RM'000	Merger Deficit RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	Total RM'000	RM'000	RM'000
At 1 July 2024	135,702	(60)	(60,822)	(24)	18,965	(7)	140,090	233,844	670	234,514
Profit after taxation for the financial year	-	-	-	-	-	-	57,670	57,670	(25)	57,645
Other comprehensive income for the financial year:										
- Actuarial loss on employment benefit	-	-	-	-	-	8	-	8	2	10
- Foreign currency translation differences on foreign operations	-	-	-	(314)	-	-	-	(314)	(79)	(393)
Transactions with owners										
- Dividend distributions to owners of the Company	-	-	-	-	-	-	(51,269)	(51,269)	-	(51,269)
- Repurchase of treasury shares	-	(30,926)	-	-	-	-	-	(30,926)	-	(30,926)
At 30 June 2025	135,702	(30,986)	(60,822)	(338)	18,965	1	146,491	209,013	568	209,581

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 2024 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 2025

	Year ended 30 June	
	2025	2024
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	76,030	72,158
Adjustments for:		
Depreciation of property, plant and equipment	5,019	4,698
Depreciation of right-of-use assets	749	797
Amortisation of intangible assets	-	1
Property, plant and equipment written off	2	18
Gain on disposal of plant and equipment	(61)	(258)
(Reversal)/Impairment loss on plant and machineries	(500)	1,000
(Reversal)/Impairment loss on trade receivable	(26)	207
Reversal of inventories written down	(146)	-
Inventories written off	26	1,017
Unrealised (gain)/loss on foreign exchange	(38)	83
Finance costs	346	339
Finance income	(4,113)	(4,181)
Gain of derecognition due to lease termination	(1)	-
Lease modification	(14)	-
Operating profit before working capital changes	77,273	75,879
Changes in inventories	(447)	3,171
Changes in trade and other receivables	4,784	11,872
Changes in contract assets	(137)	123
Changes in prepayments	(10,535)	(218)
Changes in trade and other payables	(2,229)	2,664
Change in contract liability	-	50
Changes in post-employment benefits	(1)	6
Cash generated from operations	68,708	93,547
Net income tax paid	(20,942)	(17,507)
Interest paid	(346)	(339)
Net cash from operating activities	47,420	75,701
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(4,513)	(3,893)
Acquisition of right-of-use assets	(333)	-
Proceeds from disposal of plant and equipment	65	369
Interest received	4,113	4,181
Net cash (for)/from investing activities	(668)	657
CASH FLOWS FOR FINANCING ACTIVITIES		
Payment of lease liabilities	(335)	(470)
Repurchase of treasury shares	(30,926)	-
Repayment of advances from a subsidiary shareholders	1	-
Dividends paid	(62,545)	(27,666)
Net repayment of borrowings	(1,506)	(5,631)
Net cash for financing activities	(95,311)	(33,767)
Net (decrease)/increase in cash and cash equivalents	(48,559)	42,591
Effects of foreign exchange translation	(213)	(141)
Cash and cash equivalents at the beginning of financial year	153,682	111,232
Cash and cash equivalents at the end of financial year	104,910	153,682

Note:

(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 2024 and the explanatory notes attached to this Condensed Report.

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 2024.

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 2024.

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 2024. 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 - 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*

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 2024.

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 during the current quarter and the financial year ended 30 June 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 the financial year ended 30 June 2025.

A7. Debt and equity securities

The Company re-purchased additional 2,590,800 number of shares at an average purchase price of RM1.42 per share for a total consideration of RM3,668,936 in the current quarter.

Other than the above, there was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the financial year ended 30 June 2025.

As at 30 June 2025, the number of treasury shares held were 24,724,268 ordinary shares at RM30,986,450.

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A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING *(continued)***A8. Dividends paid**

	30.06.2025 RM'000	30.06.2024 RM'000
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	-
Second interim single-tier dividend paid on 21 March 2025*		
- 1.50 sen per ordinary share	10,948	-
Third interim single-tier dividend paid on 20 June 2025*		
- 1.00 sen per ordinary share	7,299	-
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
Third interim single-tier dividend paid on 25 July 2024		
- 1.50 sen per ordinary share	11,276	-
Fourth interim single-tier dividend paid on 20 September 2024*		
- 1.50 sen per ordinary share	11,126	-
Special single-tier dividend paid on 13 December 2024*		
- 1.50 sen per ordinary share	10,948	-
In respect of financial year ended 30 June 2023		
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
	<u>62,545</u>	<u>27,666</u>

* Dividends declared by the Group during year-to-date ended 30 June 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 Quarter Ended		Year Ended	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
<u>AUTOMOTIVE</u>				
Car seat covers				
- OEM ⁽¹⁾	42,690	45,111	185,067	195,375
- REM ⁽¹⁾	2,086	2,092	7,855	7,859
- PDI ⁽¹⁾	1,789	3,086	9,403	16,637
Sub-total for car seat covers	46,565	50,289	202,325	219,871
Leather cut pieces supply	84	225	477	659
Sewing of fabric car seat covers	2,814	2,617	11,418	12,258
Manufacturing of leather/PVC car accessories covers and miscellaneous seat covers, provision of wrapping and stitching services and supply of raw materials	2,209	1,820	7,689	7,736
	<u>51,672</u>	<u>54,951</u>	<u>221,909</u>	<u>240,524</u>
<u>OTHERS</u>	1,172	43	2,591	1,899
<u>GRAND TOTAL</u>	<u>52,844</u>	<u>54,994</u>	<u>224,500</u>	<u>242,423</u>

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: -

	Current Quarter Ended		Year Ended	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Malaysia	48,908	51,509	210,361	228,479
Rest of Asia	2,429	2,046	8,226	8,286
Europe	949	958	3,676	3,554
North America	440	340	1,822	1,680
Oceania	118	141	415	424
	<u>52,844</u>	<u>54,994</u>	<u>224,500</u>	<u>242,423</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 30 June 2025, there were no commitments other than those stated below:

	RM'000
Contracted but not provided for	
- Purchase of land	<u>10,500</u>

A12. Changes in the composition of the Group

There were no material changes in the composition of the Group during the current quarter and the financial year ended 30 June 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 financial year ended 30 June 2025 are as follows: -

	Current Quarter Ended 30.06.2025 RM'000	Year Ended 30.06.2025 RM'000
Sales to related parties		
- Rentas Health Sdn Bhd	114	174
- Pecman Sdn Bhd	3	20
Rental charges to related parties		
- Tint Auto (M) Sdn Bhd	54	216
- Rentas Health Sdn Bhd	43	183
Management service to related parties		
- Tint Auto (M) Sdn Bhd	15	60
- Rentas Health Sdn Bhd	6	24
- Pecman Sdn Bhd	2	6

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****4Q 2025 vs 4Q 2024**

For the current quarter ended 30 June 2025 ("4Q 2025"), the Group recorded a lower revenue of RM52.85 million, compared to RM54.99 million in the preceding year corresponding quarter ended 30 June 2024 ("4Q 2024"). The decrease was mainly due to lower sales volume contributed by the Automotive segment, in line with customers' factory closure for maintenance in conjunction with the Hari Raya Haji in June 2025. Additionally, customer demand normalised in 4Q 2025 as compared to 4Q 2024.

In tandem with the lower revenue trend, profit after tax ("PAT") for 4Q 2025 fell 7% to RM13.51 million, as compared to RM14.57 million recorded in 4Q 2024. Nevertheless, improved production cost efficiency in the Automotive segment, along with effective cost control in selling, distribution, and administrative expenses, helped cushion the impact of the decline. The reduction in finance income was primarily due to the utilisation of cash and cash equivalents for dividend payouts and the acquisition of property, plant and equipment to support business expansion.

FY2025 vs FY2024

For the financial year ended 30 June 2025 ("FY2025"), the Group recorded revenue of RM224.50 million, representing an 8% decline, in line with the moderation of Malaysia's total industry volume for vehicles due to reduced in order backlogs and a slowdown in new order intake. Despite the drop in revenue, PAT increased by 5% to RM57.64 million. The improvement in PAT was mainly driven by enhanced production cost efficiency in the Automotive segment, coupled with effective cost control in the selling, distribution, and administrative expenses.

The Group's revenue was mainly driven by the manufacture of upholstery car seat covers, sewing and supply of car accessories cover, and the provision of wrapping and stitching services, which together contributed approximately 98% of the total revenue. Within the leather car seat covers segment, OEM contributed about 92% of the total revenue, while REM and PDI accounted for the remaining 8%.

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 immediate preceding quarter

	Current Year Quarter 30.06.2025 ("4Q 2025") RM'000	Immediate Preceding Quarter 31.03.2025 ("3Q 2025") RM'000	Variance RM'000	%
Revenue	52,844	53,100	(256)	0%
Profit after tax	13,512	14,229	(717)	-5%

For 4Q 2025, the Group's performance remained stable, with a slight decline in revenue to RM52.85 million from RM53.10 million in 3Q 2025. This was primarily attributed to the normalisation of demand, resulting in lower sales volume, as well as temporary factory closures by customers for maintenance purposes.

Correspondingly, the Group recorded a lower PAT of RM13.51 million for 4Q 2025. Nonetheless, the Group's ongoing initiatives to enhance production cost efficiency and maintain effective cost control helped mitigate the impact on overall profitability.

B3. Prospects

Automotive segment

Malaysia's automotive sector recorded a total industry volume ("TIV") of 373,636 units in the first half of 2025, marking a 4.6% decline from 391,451 units in the same period of 2024, according to the Malaysian Automotive Association ("MAA"). The MAA has maintained its full-year TIV forecast of 780,000 units, taking into account current economic challenges, particularly the impact of the United States ("U.S.") tariff policy.

Amid the expected normalization of TIV in 2025, the Group remains focused on strategic capacity expansion to position itself for long-term growth. The Group continues to make progress on its upcoming second manufacturing facility at the UMW High Value Manufacturing Park in Serendah, Selangor. This facility once completed, will be vital in supporting the rising demand for aviation and automotive seating, upholstery, and interior components, while enhancing the Group's ability to serve its expanding customer base both domestically and internationally.

In the OEM segment, the Group has expanded its business operations beyond leather seat covers to include interior upholstery. This strategic move allows the Group to offer a wider range of services to automotive companies and expand into more integrated segments across the automotive value chain.

In the REM segment, the Group is strengthening its reach across both domestic and international markets, including the United Kingdom, Saudi Arabia, the Netherlands, the U.S., Singapore, Australia, New Zealand, the broader Middle East, as well as Europe. These markets continue to exhibit consistent demand for customised, high-quality REM parts.

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B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD *(continued)***B3. Prospects** *(continued)*Automotive segment *(continued)*

To grow its presence in Indonesia, the Group is actively pursuing OEM contracts for the manufacturing of upholstery car seat covers through its subsidiary, PT Pecca Gemilang Indonesia. This strategic initiative aims to increase the Group's market share in the Indonesian automotive sector while expanding the Group's footprint across the Southeast Asian ("SEA") region. Meanwhile, PT Pecca Gemilang Indonesia continues to secure projects from both the OEM and PDI customers for the sewing and supply of automotive accessory covers.

Aviation segment

Malaysia's aviation sector is poised for sustained growth, underpinned by positive projections and major fleet renewal plans. The Minister of Investment, Trade and Industry, Tengku Datuk Seri Zafrul Aziz, stated that the country's aerospace industry revenue is expected to grow by 20% to 25% in 2025, up from RM25.1 billion (US\$5.93 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.

Building on the successful completion of a business class seat cover replacement program for Airbus A320 aircraft operated by a government-owned international airline, the Group has continued to undertake multiple seat cover replacement programs, including for helicopters as well as both domestic and international airlines. In addition, the Group has secured a long-term project and completed several MRO assignments for a domestic airline. Furthermore, the Group is actively pursuing new contracts to broaden its portfolio, with a current focus on securing contracts for commercial and general aviation aircraft.

In addition to certifications obtained from the Civil Aviation Authority of Malaysia and the European Union Aviation Safety Agency, the Group is pursuing certifications from other aviation regulators, including the Civil Aviation Authority of Thailand, the Civil Aviation Authority of Singapore, the Directorate General of Civil Aviation of Indonesia, and the Directorate General Technical Airworthiness of Malaysia. These certifications will further enhance the Group's credentials and support its regional expansion across SEA.

Overall business

The Group adopts a cautiously positive long-term outlook despite global geopolitical and policy uncertainties. While acknowledging potential market challenges, the Group remains confident in its ability to deliver sustainable growth.

The Group's growth strategy continues to prioritise geographic expansion and diversification across four key pillars: OEM, REM, Aviation, and Emerging Ventures. Operationally, the focus remains on organisational and manufacturing excellence to meet demand for high-quality products, optimise production efficiency, and maintain cost competitiveness.

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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 30.06.2025 RM'000	Year Ended 30.06.2025 RM'000
Finance income	(954)	(4,113)
Finance cost	122	337
Depreciation of:		
- Property, plant and equipment	1,297	5,019
- Right-of-use assets	179	749
Realised (gain)/loss on foreign exchange	(110)	12
Unrealised gain on foreign exchange	(78)	(38)

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 30.06.2025 RM'000	Year Ended 30.06.2025 RM'000
Income tax expense	4,173	18,385

The effective tax rate for the financial year ended is slightly higher of 24.18% 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.

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 2025 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	(439)	22
- Thailand	Within 24 months	0	0	100
- Aviation	Within 24 months	745	(745)	100
Total Public Issue Proceeds		67,870	(66,309)	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**

(Registration No. 201001025617 (909531-D))

(Incorporated in Malaysia)

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

	As at 30.06.2025 Unaudited RM'000	As at 30.06.2024 Audited RM'000
Short term borrowings		
Secured:		
Banker Acceptance	-	799
Post Shipment Buyer Loan	-	400
Hire Purchase Payable	683	414
Term Loan	630	630
	1,313	2,243
Long term borrowings		
Secured:		
Hire Purchase Payable	289	235
Term Loan	3,780	4,410
	4,069	4,645
	5,382	6,888

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

As at 30 June 2025, the Group has extended corporate guarantees amounting to RM4.41 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 fourth interim single-tier dividend of 1.00 sen per ordinary share in respect of the financial year ended 30 June 2025. The dividend will be payable on 26 September 2025 to shareholders whose names appeared in the Record of Depositors of the Company at the close of business on 12 September 2025. The total dividend declared for the current financial year is 5.00 sen per ordinary share (30 June 2024: 6.50 sen per ordinary share).

**PECCA GROUP BERHAD**

(Registration No. 201001025617 (909531-D))

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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 share

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

	Current Quarter Ended 30.06.2025 RM'000	Year Ended 30.06.2025 RM'000
Profit attributable to equity holders of the company	<u>13,518</u>	<u>57,670</u>
Weighted average number of ordinary shares in issue excluding Treasury Shares	<u>727,276</u>	<u>727,276</u>
Basic earnings per share (sen)	<u>1.86</u>	<u>7.93</u>
Diluted earnings per share (sen)	<u>1.86</u>	<u>7.93</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 30 June 2025.

B13. Authorisation for issue

The Condensed Report was authorised for issue by the Board of Directors on 25 August 2025.

BY ORDER OF THE BOARD

Kuala Lumpur
25 August 2025