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 2026

		Individual Quarter			Cumulative Quarter		
		Current Year Quarter	Preceding Year Quarter		Current Year Quarter	Preceding Year Quarter	
	Notes	30.06.2026 RM'000	30.06.2025 RM'000	Variance %	30.06.2026 RM'000	30.06.2025 RM'000	Variance %
Revenue	A9	51,583	52,844	(2.4%)	221,985	224,500	(1.1%)
Cost of sales		(31,703)	(29,932)	5.9%	(132,169)	(126,694)	4.3%
Gross profit		19,880	22,912	(13.2%)	89,816	97,806	(8.2%)
Other Income		298	276	8.0%	1,043	748	39.4%
Selling and distribution expenses		(1,594)	(1,578)	1.0%	(6,167)	(6,974)	(11.6%)
Administrative expenses		(4,984)	(4,757)	4.8%	(19,129)	(19,326)	(1.0%)
Results from operating activities		13,600	16,853	(19.3%)	65,563	72,254	(9.3%)
Finance income		914	954	(4.2%)	3,537	4,113	(14.0%)
Finance costs		(153)	(122)	25.4%	(554)	(337)	64.4%
Profit before taxation	B5	14,361	17,685	(18.8%)	68,546	76,030	(9.8%)
Income tax expense	B6	(3,539)	(4,173)	(15.2%)	(16,734)	(18,385)	(9.0%)
Profit for the period		10,822	13,512	(19.9%)	51,812	57,645	(10.1%)
Other comprehensive income, net of tax							
Items that will be reclassfied subsequently to profit or loss							
Actuarial loss on post-employment benefits		-	10	-100.0%	-	10	-100%
Foreign currency translation differences on foreign operations		(148)	(101)	46.5%	(462)	(393)	17.6%
Total comprehensive income for the financial period		10,674	13,421	-20.5%	51,350	57,262	-10.3%
Profit attributable to:-							
Owners of the company		10,796	13,518	(20.1%)	51,841	57,670	-10.1%
Non-controlling interests		26	(6)	(533.3%)	(29)	(25)	16.0%
Profit for the period		10,822	13,512	-19.9%	51,812	57,645	-10%
Total comprehensive income attributable to:-							
Owners of the Company		10,677	13,444	-20.6%	51,467	57,364	(10.3%)
Non-controlling interests		(3)	(23)	(87.0%)	(117)	(102)	14.7%
Total comprehensive income for the financial period		10,674	13,421	-20.5%	51,350	57,262	-10.3%
Earnings per share attributable to Owners of the Company (sen) (2)							
- Basic	B12	1.49	1.86	-19.8%	7.15	7.93	-9.8%
- Diluted		1.49	1.86	-19.8%	7.15	7.93	-9.8%

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 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.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	As at 30.06.2026 Unaudited RM'000	As at 30.06.2025 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	42,966	42,538
Right-of-use assets	41,727	23,508
Other investments	418	418
Goodwill	140	140
Deferred tax assets	10	-
	85,261	66,604
Current Assets		
Inventories	23,944	23,824
Trade and other receivables	36,098	45,232
Prepayments	2,088	4,552
Current tax assets	944	74
Cash and cash equivalents	120,449	104,910
	183,523	178,592
Total assets	268,784	245,196
EQUITY AND LIABILITIES		
Equity		
Share capital	135,702	135,702
Treasury shares	(35,125)	(30,986)
Reserves	115,371	103,749
Total equity attributable to owners of the Company	215,948	208,465
Non-controlling interests	451	568
	216,399	209,033
Liabilities		
Non-current liabilities		
Deferred tax liabilities	6,950	7,128
Lease liabilities	167	108
Post-employment benefits	23	25
Borrowings	11,334	4,069
	18,474	11,330
Current Liabilities		
Trade and other payables	20,708	20,144
Current tax liabilities	5,210	3,056
Lease liabilities	756	320
Borrowings	7,237	1,313
	33,911	24,833
Total liabilities	52,385	36,163
Total equity and liabilities	268,784	245,196
Net assets per share attributable to owners of the parents (sen) (2)	29.81	28.66

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 30 June 2026 of 724,454,932 (30 June 2025: 727,275,732).

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 30 JUNE 2026

	← *Attributable to owners of the Company* →									
	← *Non-distributable* →					*Distributable*				
	Share Capital RM'000	**Treasury Shares RM'000**	**Merger Deficit RM'000**	**Translation Reserve RM'000**	**Revaluation Reserve RM'000**	**Other Reserve RM'000**	**Retained Earnings RM'000**	**Total RM'000**	**Non-controlling Interests RM'000**	**Total Equity RM'000**
At 1 July 2025	135,702	(30,986)	(60,822)	(338)	18,965	1	145,943	208,465	568	209,033
Profit after taxation for the financial year	-	-	-	-	-	-	51,841	51,841	(29)	51,812
Other comprehensive income for the financial year:										
- Actuarial loss on post-employment benefits	-	-	-	-	-	*	-	-	-	-
- Foreign currency translation differences on foreign operations	-	-	-	(374)	-	-	-	(374)	(88)	(462)
Transactions with owners										
- Dividend distributions to owners of the Company	-	-	-	-	-	-	(39,845)	(39,845)	-	(39,845)
- Purchase of own shares	-	(4,139)	-	-	-	-	-	(4,139)	-	(4,139)
At 30 June 2026	135,702	(35,125)	(60,822)	(712)	18,965	1	157,939	215,948	451	216,399

* *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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 30 JUNE 2026

	Year ended 30 June	
	2026	**2025**
	RM'000	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	68,546	76,030
Adjustments for:		
Depreciation of property, plant and equipment	5,529	5,019
Depreciation of right-of-use assets	1,304	749
Plant and equipment written off	20	2
Impairment gain on plant and machineries	-	(500)
Impairment gain on trade receivables	(177)	(26)
Inventories written off	-	26
Inventories written back	(918)	(146)
Unrealised loss/(gain) on foreign exchange	320	(38)
Finance costs	554	346
Finance income	(3,537)	(4,113)
Gain of derecognition due to lease termination	-	(1)
Gain on lease modification	-	(14)
Gain on disposal of property, plant and equipment	(88)	(61)
Operating profit before working capital changes	71,553	77,273
Changes in inventories	707	(447)
Changes in trade and other receivables	8,672	4,784
Changes in contract assets	-	(137)
Changes in prepayments	2,847	(10,535)
Changes in trade and other payables	622	(2,229)
Changes in post-employment benefits	1	(1)
Cash generated from operations	84,402	68,708
Net income tax paid	(15,644)	(20,942)
Interest paid	(554)	(346)
Net cash from operating activities	68,204	47,420
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(6,093)	(4,513)
Acquisition of right-of-use assets	(18,240)	(333)
Proceeds from disposal of plant and equipment	89	65
Interests received	3,537	4,113
Net cash for investing activities	(20,707)	(668)
CASH FLOWS FOR FINANCING ACTIVITIES		
Payment of lease liabilities	(794)	(335)
Dividends paid	(39,845)	(62,545)
Repayment of advances from a subsidiary shareholders	-	1
Net proceeds from/(repayment of) borrowings	13,189	(1,506)
Purchase of own shares	(4,139)	(30,926)
Net cash for financing activities	(31,589)	(95,311)
Net increase/(decrease) in cash and cash equivalents	15,908	(48,559)
Effects of foreign exchange translation	(369)	(213)
Cash and cash equivalents at the beginning of financial year	104,910	153,682
Cash and cash equivalents at the end of financial year	120,449	104,910

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.

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:

<u>Effective for annual reporting periods beginning on or after 1 January 2027</u>

- 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*

<u>Effective date of the following Amendments has been deferred to a date to be announced by the MASB</u>

- Amendments to MFRS 10 and MFRS 128: *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 the financial year ended 30 June 2026.

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 2026.

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 2026.

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 30 June 2026, the number of treasury shares held were 27,545,068 ordinary shares at RM35,124,806.

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A8. Dividends paid

	30.06.2026 RM'000	30.06.2025 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	-
Second interim single-tier dividend paid on 27 March 2026*		
- 1.50 sen per ordinary share	10,867	-
Third interim single-tier dividend paid on 19 June 2026*		
- 1.50 sen per ordinary share	10,867	-
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
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	-	11,276
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
	39,845	62,545

* Dividends declared by the Group during the financial year ended 30 June 2026.

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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		Year Ended	
		30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
AUTOMOTIVE (MALAYSIA)					
Car seat covers					
- OEM [(1)]		40,975	42,690	179,296	185,067
- REM [(1)]		2,111	1,988	8,216	7,617
- PDI [(1)]		1,193	1,451	5,542	7,891
Sub-total for car seat covers		44,279	46,129	193,054	200,575
Sewing of fabric car seat covers					
- OEM [(1)]		2,229	2,814	10,983	11,418
Manufacturing of leather/PVC car accessories covers and miscellaneous seat covers, and provision of wrapping and stitching services					
- OEM [(1)]		275	261	1,235	1,254
- REM [(1)]		718	647	2,546	2,545
		993	908	3,781	3,799
Leather cut pieces supply					
- OEM [(1)]		25	61	208	333
- REM [(1)]		39	23	150	144
		64	84	358	477
SUB-TOTAL AUTOMOTIVE (MALAYSIA)	**(A)**	**47,565**	**49,935**	**208,176**	**216,269**
AUTOMOTIVE (INDONESIA)					
Car seat covers					
- OEM [(1)]		1,054	-	2,389	-
- REM [(1)]		10	98	248	238
- PDI [(1)]		273	338	1,172	1,512
Sub-total for car seat covers		1,337	436	3,809	1,750
Manufacturing of leather/PVC car accessories covers and miscellaneous seat covers, and provision of wrapping and stitching services					
- OEM [(1)]		1,196	1,300	4,432	3,873
- REM [(1)]		541	1	617	17
		1,737	1,301	5,049	3,890
SUB-TOTAL AUTOMOTIVE (INDONESIA)	**(B)**	**3,074**	**1,737**	**8,858**	**5,640**
AVIATION	**(C)**	674	1,058	2,783	2,329
OTHERS	**(D)**	270	114	2,168	262
GRAND TOTAL	**(E) = A+B+C+D**	**51,583**	**52,844**	**221,985**	**224,500**

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 / Preceding Quarter Ended		Year Ended	
	30.06.2026	**30.06.2025**	**30.06.2026**	**30.06.2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Malaysia	46,012	48,908	203,824	210,361
Rest of Asia	3,355	2,429	11,415	8,226
Europe	1,012	949	4,141	3,676
North America	732	440	1,926	1,822
Oceania	77	118	284	415
Middle East	395	-	395	-
	51,583	52,844	221,985	224,500

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 2026, 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 the financial year ended 30 June 2026.

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 2026 are as follows: -

	Current Quarter Ended 30.06.2026 RM'000	**Year Ended 30.06.2026 RM'000**
Sales to related parties		
- Rentas Health Sdn. Bhd.	-	145
- Pecman Sdn. Bhd.	-	2
- Jacar Sdn. Bhd.	28	30
Rental charges to related parties		
- Tint Auto (M) Sdn. Bhd.	54	216
- Rentas Health Sdn. Bhd.	43	172
Management service to related parties		
- Tint Auto (M) Sdn. Bhd.	60	165
- Rentas Health Sdn. Bhd.	6	24
- Pecman Sdn. Bhd.	*	5

* *Amount less than RM1,000*

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 2026 vs 4Q 2025

For the current quarter ended 30 June 2026 ("4Q 2026"), the Group reported revenue of RM51.6 million, representing a marginal decrease of 2.4% from RM52.8 million in the corresponding quarter ended 30 June 2025 ("4Q 2025"). Encouragingly, the Indonesia segment continued to gain momentum, posting a strong year-on-year revenue growth of 77.0% to RM3.1 million in 4Q 2026, reflecting the success of the Group's diversification strategy to strengthen its regional presence.

The Group's profit after tax ("PAT") decreased by 19.9%s to RM10.8 million from RM13.5 million, primarily attributable to softer revenue, product mix and higher depreciation expenses associated with new machinery investments made to support the Group's long-term growth and capacity expansions plans.

FY 2026 vs FY2025

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 89% of the total revenue, while REM and PDI accounted for the remaining 11%.

For the financial year ended 30 June 2026 ("FY2026"), the Group recorded the revenue of RM222.0 million, representing a slight decline of 1.1% compared to preceding financial year. Despite the marginal decrease in revenue, the impact on profitability was partially mitigated by lower selling and distribution expenses, as well as administrative expenses, arising from the Group's ongoing cost optimisation initiatives and disciplined cost management measures. The reduction in finance income was primarily due to the utilisation of cash and cash equivalents for dividend payouts and the acquisition of plant and machinery to support the Group's capacity expansion and business expansion.

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

	Current Year Quarter 30.06.2026 ("4Q 2026") RM'000	Immediate Preceding Quarter 31.03.2026 ("3Q 2026") RM'000	Variance RM'000	%
Revenue	51,583	44,796	6,787	15%
Profit after tax	10,822	10,057	765	8%

The Group recorded revenue of RM51.6 million in 4Q 2026, an increase of RM6.8 million or 15% compared to RM44.8 million in 3Q 2026. The improvement was driven by a recovery in sales volume from the Automotive segment following a softer performance in the preceding quarter.

The lower base in 3Q 2026 performance was in line with the decline in sales volume from Automotive segment, following the reduction in both Total Industry Volume ("TIV") and Total Industry Production ("TIP") during the period. The moderation in TIV and TIP was primarily attributable to temporary factory closures by major automotive manufacturers for scheduled maintenance in conjunction with the Chinese New Year and Hari Raya Aidilfitri celebrations.

Correspondingly, the Group recorded a higher PAT of RM10.8 million for 4Q 2026.

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

B3. Prospects

Automotive Segment

The Malaysian automotive industry recorded a Total Industry Volume ("TIV") of 385,353 units for the first half of 2026 ("1H26"), a 3.1% increase from 373,636 in the corresponding period of 2025. Following the strong performance, the Malaysian Automotive Association ("MAA") revised upward its full-year TIV forecast from 790,000 to 800,000 units.

National marques continued to lead the market, capturing 67% of 1H26 new vehicle sales as volume rose to 256,304 units, while non-national brands saw a decline of 6.3% to 129,049. Sector growth was driven by stronger sport utility vehicle ("SUV") demand and a 106% surge in battery electric vehicle ("BEV") registrations, which prompted the MAA to upgrade its full-year electrified vehicle ("xEV") sales target from 100,000 to 120,000 units.

The Group remains focused on strengthening its relationships with Original Equipment Manufacturer ("OEM") customers, leveraging long-standing partnerships with automakers to capture growth opportunities from new model launches in the second half of 2026, while concurrently diversifying revenue streams across multiple segments and markets.

- Original Equipment Manufacturer

  As part of its strategic expansion toward Tier-1 automotive component manufacturer status, the Group is advancing its full seat assembly capability as a key milestone. The Group has also expanded its product offerings with the introduction of instrument panel wraps, further positioning itself as a full-solution provider for integrated vehicle interiors and strengthening its value proposition within the OEM supply chain.

  To support its long-term growth across the automotive, aviation and locomotive segments, the Group continues to progress the planning and development of its second manufacturing facility at the UMW High Value Manufacturing Park in Serendah, Selangor.

  Regionally, the Group's Indonesian subsidiary, PT Pecca Gemilang Indonesia, is gaining traction and is actively pursuing new OEM contracts and broadening its customer base across the Replacement Equipment Manufacturer ("REM") and Pre-Delivery Inspection ("PDI") channels to grow its presence in one of Southeast Asia's largest automotive markets.

- Replacement Equipment Manufacturer

  The Group is expanding the reach of its REM products across local and international markets, penetrating new markets including the Netherlands, Singapore and Ireland, while increasing supply to existing markets across the United States, Australia, the United Kingdom, Canada, New Zealand, the Middle East and Europe.

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

B3. Prospects *(continued)*

Aviation Segment

The Malaysian aerospace industry is on a positive growth trajectory, backed by RM32.5 billion in industry revenue generated in 2025. For 2026, the National Aerospace Industry Coordinating Office ("NAICO") projects a further 15% to 20% sector expansion, underpinned by strong investment momentum and growing capabilities across the ecosystem. Whilst global supply chain constraints persist, Malaysia's stable operating environment and excess capacity present unique opportunities to attract regional overflow demand for Maintenance, Repair, and Overhaul ("MRO") services, including from the Middle East and Europe.

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 work. The Group is also expanding into higher-value offerings 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 its capabilities in non-structural plastic parts fabrication under the scope of its EASA Production Organisation Approval ("POA") and pursuing approvals from regulators in Indonesia, Singapore, and Thailand. These approvals will enhance regional market access and position the Group to capture a larger share of Southeast Asia's aviation services market.

Locomotive Segment

Malaysia's rail industry presents a growing addressable market, with the government estimating RM21.16 billion required to upgrade Keretapi Tanah Melayu Berhad's ("KTMB") network capacity and rolling stock, alongside a RM10.7 billion programme to add 62 new train sets by 2027.

As more maintenance and refurbishment work is opened up to private players, the Group is well-positioned to compete for such opportunities, leveraging its established expertise in leather upholstery and interior fit-outs from the automotive and aviation segments.

Group Outlook

Moving into the financial year ending 30 June 2027, the Group anticipates broad-based opportunities supported by positive industry trends. The long-term outlook is underpinned by upcoming model launches from key automotive customers and the progressive ramp-up of high-margin segments, namely aviation, locomotive, and REM exports.

The Group's growth strategy continues to prioritise geographic expansion and diversification across its four key pillars: OEM, REM, Aviation and Emerging Ventures. Through continuous enhancements in manufacturing capabilities, efficiency improvements, and rigorous cost competitiveness driven by automation and technology, the Group is positioned for sustainable long-term growth.

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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 30.06.2026 RM'000	Year Ended 30.06.2026 RM'000
Finance income	(914)	(3,537)
Finance cost	153	554
Depreciation of:		
- Property, plant and equipment	1,361	5,529
- Right-of-use assets	311	1,304
Realised gain on foreign exchange	(83)	(266)
Unrealised loss on foreign exchange	(20)	320

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 30.06.2026 RM'000	Year Ended 30.06.2026 RM'000
Income tax expense	3,539	16,734

The effective tax rate for the financial year ending is slightly higher of 24.41% 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 ("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 30 June 2026 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	(565)	28
	- Thailand	-	0	0	100
	- Aviation	-	745	(745)	100
	Total Public Issue Proceeds		**67,870**	**(66,435)**	**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.

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 30.06.2025 Audited RM'000
Short term borrowings		
Secured:		
Hire Purchase Payable	233	683
Term Loan	2,004	630
Trade Financing	5,000	-
	7,237	1,313
Long term borrowings		
Secured:		
Hire Purchase Payable	56	289
Term Loan	11,278	3,780
	11,334	4,069
	18,571	5,382

Trade financing and term loan are secured by corporate guarantees of the Group.

As at 30 June 2026, a term loan of RM10.5 million had been drawdown to partially finance the acquisition of the land, while trade financing facilities amounting to RM5.0 million had been utilised to support working capital requirements.

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 fourth interim single-tier dividend of 1.50 sen per ordinary share in respect of the financial year ended 30 June 2026. The dividend will be payable on 18 September 2026 to shareholders whose names appeared in the Record of Depositors of the Company at the close of business on 7 September 2026. The total dividend declared for the current financial year ended is 6.00 sen per ordinary share (30 June 2025: 5.00 sen per ordinary share).

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 30.06.2026 RM'000	Year Ended 30.06.2026 RM'000
Profit attributable to equity holders of the company	10,796	51,841
Weighted average number of ordinary shares in issue excluding Treasury Shares	724,613	724,613
Basic earnings per ordinary share (sen)	1.49	7.15
Diluted earnings per ordinary share (sen)	1.49	7.15

(b) Diluted earnings per ordinary share

There is no dilution in its earnings per ordinary share as at 30 June 2026.

B13. Authorisation for issue

The Condensed Report was authorised for issue by the Board on 20 August 2026.

BY ORDER OF THE BOARD

Kuala Lumpur
20 August 2026