CORPORATE GOVERNANCE & COMPLIANCE

Corporate Governance Overview Statement

The Board of Directors ("Board") of Pecca Group Berhad ("Pecca" or the "Company") is pleased to present the Corporate Governance Overview Statement of the Company for the financial year ended 30 June 2025 ("FY2025"), guided by the principles set out in the Malaysian Code on Corporate Governance 2021 ("MCCG").

This statement is prepared in compliance with Paragraph 15.25(1) of the Bursa Malaysia Main Market Listing Requirements ("Bursa Malaysia MMLR"), and further guided by Practice Note 9 of the Bursa Malaysia MMLR, as well as the Bursa Malaysia Corporate Governance Guide (4th edition) ("Bursa Malaysia CG Guide").

Detailed application of each practice of the MCCG during FY2025 is disclosed in the Company's Corporate Governance Report 2025, which is available on the Company's website at https://peccagroup.com/ as well as via announcements on the website of Bursa Malaysia.

This statement should be read together with other statements in this Integrated Annual Report ("IAR") 2025 (e.g., Statement on Risk Management and Internal Control ("SORMIC"), Audit and Risk Management Committee ("ARMC") Report, and Sustainability Statement as the application of certain governance enumerations may be more evidently expressed in their respective contexts.

PRINCIPLE A
BOARD LEADERSHIP AND EFFECTIVENESS

PRINCIPLE B
EFFECTIVE AUDIT AND RISK MANAGEMENT

PRINCIPLE C
INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I Board Responsibilities

1. Establishing clear roles and responsibilities of the Board

Pecca and its subsidiaries (the "Group") are headed by an experienced and effective Board. The Board assumes overall responsibility for leading the strategic direction, future expansion, corporate governance, risk management, human resource planning and development, and investments made by the Group, and overseeing the proper conduct of the Group's business.

The Board acts in the best interest of the Group and assumes the following key roles in fulfilling its fiduciary duties:

(a) Reviewing and adopting strategic plans as well as monitoring their implementation by the Management;
(b) Overseeing and evaluating the conduct and sustainability of the Group;
(c) Implementing appropriate internal controls and mitigation measures to address identified risks;
(d) Carrying out a periodic review of the Group's financial performance, operating results, and major capital commitments; and
(e) Reviewing the adequacy and integrity of the Group's internal control system.

In order to ensure the effective discharge of its stewardship role, the Board delegates some of its responsibilities to the Board Committees, namely the ARMC, Nomination Committee ("NC"), and Remuneration Committee ("RC"), which operate under their own defined Terms of Reference. The Chairs of the respective Board Committees report to the Board on key matters deliberated at the respective Board Committee meetings, and make recommendations to the Board for final decisions, where necessary.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I Board Responsibilities (Cont'd)

1. Establishing clear roles and responsibilities of the Board (Cont'd)

Although specific powers are delegated to the Board Committees, the Board keeps itself abreast of key issues and/or decisions made by each Board Committee through reports tabled by the Chairman or representative of each Board Committee, as well as the circulation of Board Committee Minutes of the applicable period for notation by the Board. The ultimate responsibility for decision-making lies with the Board.

2. Separation of positions of the Chairman and Group Managing Director ("GMD")

The Board is headed by an Independent Non-Executive Chairman who is responsible for its leadership, integrity, and the effectiveness of its governance. The responsibilities of the Chairman are set out in the Board Charter.

There is a clear division of roles and responsibilities between the Chairman and GMD to ensure a balance of power and authority in the Company. The Chairman is responsible for leading the Board and ensuring the effectiveness of all aspects of its role, whilst the GMD acts as the conduit between the Board and Management to facilitate the successful implementation of the Company's governance and management functions.

3. Company Secretaries

The Board is supported by qualified and competent Company Secretaries, and has direct access to their advice and services. The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, Board policies and procedures, corporate governance, and compliance with relevant regulatory requirements and legislation. The Company Secretaries are suitably qualified, competent, and capable of carrying out the duties required of them.

The Board recognises that its decision-making process is highly dependent on the quality of information furnished. Accordingly, every Director has access to all information within the Company, and all meeting materials are prepared and issued to the Board and Board Committee members at least five (5) business days before so they receive the information in a timely manner.

4. Access to Information and Advice

To ensure the effective functioning of the Board, all Directors have individual and independent access to the advice and support services of the Company Secretaries, Internal Auditors, and External Auditors, and may seek advice from Management on issues within their respective purview. Board members have full and timely access to all information within the Group, and Board papers are distributed before Board meetings to enable Directors to obtain relevant information and have sufficient time to deliberate on the issues to be raised at the meetings, thereby allowing them to discharge their duties diligently.

Board papers, which include the meeting agenda and related reports, cover strategic, financial, operational, and regulatory compliance matters, among others, that require the Board's approval.

Board meeting proceedings are duly minuted and circulated to all Directors for their perusal before confirmation by the Chairman as a correct record. The Company Secretaries record the proceedings of all meetings, including pertinent issues, the substance of inquiries, if any, and responses thereto, members' suggestions, decisions made, as well as the rationale for those decisions. By doing so, the Company Secretaries keep the Board updated on follow-up actions arising from the Board's decisions and/or requests at subsequent meetings. This enables the Board to perform its fiduciary duties and fulfil its oversight role in instituting a culture of transparency and accountability within the Company.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I Board Responsibilities (Cont'd)

5. Board Charter

The Board Charter adopted by the Board serves as a source of reference and the primary guide to the Board as it sets out the role, functions, composition, operation, and processes of the Board.

The Board Charter delineates the duties and responsibilities of the Board, Board Committees, and individual Directors, including the following matters that are solely reserved for the Board's decision:

(a) Conflict of interest ("COI") issues relating to a substantial shareholder or Director, including approving related party transactions;
(b) Material acquisitions and disposition of assets not in the ordinary course of business, including significant capital expenditures;
(c) Strategic investments, mergers and acquisitions, and corporate exercises;
(d) Corporate strategic plans;
(e) Budgets;
(f) Quarterly and annual financial statements for announcements; and
(g) Corporate governance policies.

The Board Charter also serves as primary induction material, guiding newly appointed and existing Board members on the duties and functions of the Board and its Committees.

The Board Charter is periodically reviewed by the Board to be in line with regulatory changes and reflect changes made to the Terms of Reference of the Board Committees. The Board Charter is available on the Company's website at https://peccagroup.com/.

6. Code of Ethics

The Board has formalised a Code of Ethics for Directors and adheres to the Code of Conduct expected for them, as set out in the Company's Code of Ethics promulgated by the Companies Commission of Malaysia, which reflects our underlying core ethical values and commitment to uphold standards of integrity, transparency, accountability, and corporate social responsibility. Our Code of Ethics for Directors is available on the Company's website at https://peccagroup.com/.

7. Whistle-blower Policy

The Company has put in place a Whistle-blower Policy to ensure that its business relationships and dealings are conducted with the highest level of integrity and accountability, and adopts a zero-tolerance approach toward any misconduct that would jeopardise its good standing and reputation. The policy is intended to encourage and enable the Directors, employees, and stakeholders of the Group to raise concerns about suspected and/or known malpractices, misconduct, or wrongdoings. The Whistle-blower Policy is available on the Company's website at https://peccagroup.com/.

8. Anti-Bribery and Anti-Corruption ("ABAC") Policy

The Board maintains a zero-tolerance approach toward all forms of bribery and corruption, in line with the Company's ABAC Policy, which is grounded in the core principles of our Code of Ethics and provides guidance on addressing bribery and corruption in the course of business. The ABAC Policy is available on the Company's website at https://peccagroup.com/.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I Board Responsibilities (Cont'd)

9. Directors' Fit and Proper Policy

The Company has adopted a Directors' Fit and Proper Policy to ensure a formal and transparent process for the appointment and re-election of Directors, as well as the appointment of Key Senior Management. Execution of the policy is delegated to the NC, and is subject to periodic review and approval by the Board. The policy is available on the Company's website at https://peccagroup.com/.

10. Conflict of Interests Disclosure

The COI disclosure outlines the obligations of each Director and Key Senior Management with respect to actual or potential COIs to ensure systematic identification, disclosure, and management of COIs in an effective and timely manner.

Any Director who identifies a COI, potential conflict, material personal interest, or relationship that could reasonably influence their decision-making must immediately disclose it to the Board and abstain from discussions or voting on the relevant matter.

The objective of this disclosure is to ensure that COIs are handled appropriately, fostering a culture of transparency honesty, accountability, and good governance within the Group.

II Board Composition

1. Board Composition and Balance

The Board is well balanced, comprising experienced businessmen and qualified professionals of diverse ages and ethnicities. Directors collectively bring with them diverse knowledge, skills, extensive experience, and expertise in areas such as strategic planning, business development, finance, corporate affairs, information technology, marketing, and operations.

As at 30 June 2025, the Board has eight (8) members, comprising four (4) Independent Non-Executive Directors, three (3) Executive Directors, and one (1) GMD. This complies with Paragraph 15.02 of the Bursa Malaysia MMLR, which requires at least two (2) or one-third (⅓) of the Board of the Company, whichever is higher, to be Independent Directors.

Dato' Seri Dr. Chen Chaw Min was appointed as an Independent Non-Executive Director on 8 April 2025. He brings with him vast experience in public service and healthcare governance, which complements the Group's healthcare-related initiatives.

A brief profile of each Director is presented in the Directors' Profile section of this IAR 2025.

The NC conducts annual reviews of the composition of the Board and Board Committees. In FY2025, the NC determined that the Board comprises an appropriate balance of members from relevant key areas to support the Group's sustainability efforts, taking into consideration the complexity and nature of its businesses.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II Board Composition (Cont'd)

2. Board Independence

The Board recognises that independence and objective judgement are crucial and imperative in decision-making. Independent Non-Executive Directors play a significant role in providing unbiased and independent views, advice, and judgement, taking into account the interests of relevant stakeholders, including minority shareholders of the Group.

Pursuant to Practice 5.3 of the MCCG, the tenure of an Independent Director does not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director.

However, the retention of Independent Directors who have served a cumulative term of nine (9) years shall be subject to annual assessment by the NC on their independence and contributions, as well as annual shareholders' approval through a two-tier voting process at a general meeting. In such cases, the Board shall provide valid justifications in the explanatory notes to the resolution in the notice of that general meeting. Notwithstanding the above, the tenure of an Independent Director should not exceed a cumulative term of twelve (12) years, in compliance with the Bursa Malaysia MMLR.

Dato' Mohamed Suffian Bin Awang and Datuk Leong Kam Weng have served on the Board as Independent Directors for a cumulative term of more than nine (9) years each. The Board, after considering the recommendation of the NC and without the participation of Dato' Mohamed Suffian Bin Awang and Datuk Leong Kam Weng, resolved to retain them as Independent Directors as they bring a wealth of knowledge and experience to the Company. In addition, they provide effective checks and balances in Board proceedings, and continue to exercise their independence and objective judgement in Board deliberations and Board Committee meetings.

3. Boardroom Diversity

The Board acknowledges the importance of Boardroom diversity and recognises the value of providing fair and equal opportunities while fostering diversity within the Group. The Company endeavours to have a balanced representation in terms of skills, knowledge, experience, background, expertise, age, gender, and ethnicity. The Board considers diversity as an essential element in maintaining a competitive advantage by leveraging different perspectives on various issues and enhancing the quality of decision-making, which in turn contributes to the Company's development and sustainability.

At present, the Board has two (2) female Directors, which is less than 30% of its composition. The Board adopted a Diversity Policy in May 2018. The Board, with the Head of Group Human Resources, will continue to monitor the scope and applicability of the Diversity Policy, and consider taking in additional suitable female Directors to meet the 30% women directors target.

4. Appointment of Directors

The NC is entrusted with developing policies and procedures to formalise the approach to the recruitment process and annual assessments of Directors, which serve as guides for the NC in discharging its duties relating to the nomination, evaluation, selection, and appointment of new Directors.

The appointment of any additional Director is made as and when it is deemed necessary by the Board, upon recommendation from the NC. All nominees and candidates to the Board are first considered by the NC, taking into consideration, inter-alia, their competency, knowledge, expertise, experience, professionalism, integrity, and time commitment, including, where appropriate, the criteria for assessing the independence of candidates for appointment as Independent Non-Executive Directors.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II Board Composition (Cont'd)

4. Appointment of Directors (Cont'd)

In identifying candidates for appointment as Directors, the NC uses a variety of approaches and sources to ensure that it identifies the most suitable candidates, and does not limit itself solely to recommendations from existing Board members, Management, or major shareholders.

In compliance with the Bursa Malaysia MMLR, the Company has in place a Directors' Fit and Proper Policy, which sets out the selection criteria for the appointment and/or re-election of Directors and appointment of Key Senior Management.

5. Re-election of Directors

In accordance with the Company's Constitution, an election of Directors shall take place each year at an Annual General Meeting ("AGM"), with one-third (⅓) of the Directors subject to retirement by rotation. In any event, each Director shall retire from office once every three (3) years. The Directors to retire in each year are those who have been longest in office since their last appointment or re-election. Directors appointed by the Board during the financial year are subject to retirement at the next AGM following their appointments, in accordance with the Company's Constitution. All retiring Directors are eligible for re-election.

Based on the schedule of rotation, the following Directors are subject to retirement by rotation pursuant to the Company's Constitution at the forthcoming Fifteenth (15^{th}) AGM: -

(a) Datuk Teoh Hwa Cheng (Clause 97)
(b) Datin Sam Yin Thing (Clause 97)

Pursuant to Clause 105 of the Company's Constitution, Dato' Seri Dr. Chen Chaw Min, who was appointed as Independent Non-Executive Director on 8 April 2025, shall also retire at the forthcoming 15^{th} AGM.

The aforesaid Directors have expressed their intention to seek re-election during the forthcoming 15^{th} AGM. The NC has recommended to the Board the re-election of Datuk Teoh Hwa Cheng, Datin Sam Yin Thing, and Dato' Seri Dr. Chen Chaw Min. The Board is satisfied with the skills and contributions of these retiring Directors and recommends their re-election as Directors of the Company, which will be tabled at the forthcoming 15^{th} AGM.

6. Directors' Commitment

The Board meets on a quarterly basis, with additional meetings convened when necessary to deal with urgent and important matters requiring its attention. All pertinent issues discussed at Board meetings, together with the decisions and conclusions reached, are properly recorded by the Company Secretaries. The Board is satisfied with the level of commitment demonstrated by the Directors in fulfilling their roles and responsibilities, as most Directors attended all Board meetings during the financial year under review.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II Board Composition (Cont'd)

6. Directors' Commitment (Cont'd)

The Board met six (6) times in FY2025. Details of the Directors' attendance at the Board and Board Committees meetings during the financial year under review are set out below: -

Name	Board	ARMC	NC	RC
Dato' Mohamed Suffian Bin Awang *Independent Non-Executive Chairman*	6/6	4/5	2/2	2/2
Datuk Teoh Hwa Cheng *Group Managing Director*	6/6	-	-	-
Datin Sam Yin Thing *Executive Director*	5/6	-	-	-
Teoh Zi Yi *Executive Director*	6/6	-	-	-
Teoh Zi Yuen *Executive Director*	5/6	-	-	-
Datuk Leong Kam Weng *Independent Non-Executive Director*	6/6	5/5	2/2	2/2
Dato' Dr. Norhizan Bin Ismail *Independent Non-Executive Director*	6/6	5/5	2/2	2/2
Dato' Seri Dr. Chen Chaw Min [a] *Independent Non-Executive Director*	1/1	1/1	-	-

Remark:
(a) Appointed as an Independent Non-Executive Director and a member of the ARMC on 8 April 2025.

7. Directors' Training

The Board acknowledges that continuous education is vital for Board members to keep abreast of the latest developments in the industry and business environment, as well as changes to statutory requirements and regulatory guidelines.

All Directors of the Company have attended the Mandatory Accreditation Programme, as well as the Mandatory Accreditation Programme Part II on sustainability, as prescribed in the Bursa Malaysia MMLR. The Directors will continue to identify and attend other training courses to equip themselves effectively to discharge their duties as Directors continuously.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II Board Composition (Cont'd)

7. Directors' Training (Cont'd)

During the financial year under review, the Directors attended the following training programmes:

Directors	Name of Seminar and Training Programmes	Organised by	Event Date
Dato' Mohamed Suffian Bin Awang	ABAC Policy for 2025	Messrs. Ling & Tan Law Chambers	8 August 2025
Datuk Teoh Hwa Cheng	Future Proof Leadership: Passion for Extraordinary Performance Training	Lawrence Walter Seminars Strategic Group	29-30 May 2025
	ABAC Policy for 2025	Messrs. Ling & Tan Law Chambers	8 August 2025
Datin Sam Yin Thing	Future Proof Leadership: Passion for Extraordinary Performance Training	Lawrence Walter Seminars Strategic Group	29-30 May 2025
	ABAC Policy for 2025	Messrs. Ling & Tan Law Chambers	8 August 2025
Teoh Zi Yi	Future Proof Leadership: Passion for Extraordinary Performance Training	Lawrence Walter Seminars Strategic Group	29-30 May 2025
	ABAC Policy for 2025	Messrs. Ling & Tan Law Chambers	8 August 2025
Teoh Zi Yuen	Future Proof Leadership: Passion for Extraordinary Performance Training	Lawrence Walter Seminars Strategic Group	29-30 May 2025
	ABAC Policy for 2025	Messrs. Ling & Tan Law Chambers	8 August 2025

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II Board Composition (Cont'd)

7. Directors' Training (Cont'd)

Directors	Name of Seminar and Training Programmes	Organised by	Event Date
Datuk Leong Kam Weng	The Risk Landscape: Navigating Climate Transition Risks in a Circular Economy	KPMG Asia Pacific	11 July 2024
	Navigating Capital Gains Tax	KPMG Malaysia	17 July 2024
	e-Invoicing for Law Firms	Bar Council Malaysia	29 July 2024
	Practical Aspects on How Law Firms Can Manage Dawn Raids	Bar Council Malaysia	15 August 2024
	Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Bill 2024	KPMG Malaysia	11 September 2024
	Unclaimed Monies Act 1965	Malaysian Institute of Accountants	19 September 2024
	Geopolitical Risks and the Strategic Imperatives for Boards and C-Suite	KPMG Asia Pacific	17 October 2024
	AOB Conversation with Audit Committees	Securities Commission Malaysia	19 November 2024
	Strategic Data & Framework in Board Governance	Institute of Corporate Directors Malaysia	2 December 2024
	Building and Strengthening Your Directorship Competency	Institute of Corporate Directors Malaysia	6 March 2025
	Strategic Oversight for Directors: Mastering Financial Reporting	MUI Group	17 April 2025
	Tax Reimagined: Understanding Data Warehouses and Their Relevance for Tax Functions	KPMG Malaysia	7 May 2025
	Webinar on Sales Tax Revision and Service Tax Expansion 2025	Crowe Malaysia	19 June 2025
	Decoding Malaysia's New Stamp Duty Regime: Key Changes, Risks, & Compliance Register Now	CPA Australia	24 June 2025
Dato' Dr. Norhizan Bin Ismail	Healthcare Today & Tomorrow	MAHSA University	13 February 2025

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II Board Composition (Cont'd)

7. Directors' Training (Cont'd)

Directors	Name of Seminar and Training Programmes	Organised by	Event Date
Dato' Seri Dr. Chen Chaw Min	e-invoice Accounting and Its Implementation Mechanism	Institute of Professional Advancement	27 September 2024
	Speaker: Seminar on Inside Government Strategic Engagement and Influence	Humanology Sdn. Bhd.	27-28 August 2024
	Speaker: Government Insights Unveiled: Secrets of dealing with government sectors seminar	Humanology Sdn. Bhd.	24-25 September 2024
	Basic Life Support Module	Institut Jantung Negara	14 March 2025
	Speaker: Think Like a Leader: A Leadership Upskilling	Razak School of Government	21-22 June 2025

The Company Secretaries circulate relevant guidelines on statutory and regulatory requirements from time to time and update the Board on the same at Board meetings. The External Auditors also brief Board members on any current and future changes to the Malaysian Financial Reporting Standards ("MFRS") that may affect the Group's financial statements.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II Board Composition (Cont'd)

8. Board Committees

In discharging its fiduciary duties, the Board has delegated specific tasks to Board Committees. These Board Committees have the authority to examine particular issues and report to the Board on their proceedings and deliberations, together with their recommendations. However, the ultimate responsibility for all decisions lies with the entire Board as a whole.

(a) ARMC

The ARMC assists the Board in its oversight of the Company's financial statements and reporting, in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies, as well as financial reporting practices of the Group.

A copy of the Terms of Reference of the ARMC is available for viewing on the Company's website at https://peccagroup.com/.

The composition and activities of the ARMC during the financial year under review are set out in the ARMC Report of this IAR 2025.

(b) NC

The NC comprises exclusively of Independent Non-Executive Directors, as follows:

Dato' Mohamed Suffian Bin Awang (Chairman)
Independent Non-Executive Chairman

Datuk Leong Kam Weng (Member)
Independent Non-Executive Director

Dato' Dr. Norhizan Bin Ismail (Member)
Independent Non-Executive Director

The Board is of the view that all Independent Directors of the Company should always be within reach of shareholders and issues be discussed openly at meetings. Accordingly, the Board has not nominated a Senior Independent Non-Executive Director at this juncture.

The NC assists the Board in carrying out annual assessments of the effectiveness of the Board as a whole, the Board Committees, and the contribution or performance of each Director. The NC also assists the Board in assessing the level of independence of the Independent Directors annually.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II Board Composition (Cont'd)

8. Board Committees (Cont'd)

(b) NC (Cont'd)

The principal duties and responsibilities of the NC, as defined in its Terms of Reference, include but are not limited to the following:

(i) Recommending candidates for directorships to the Board, considering their skills, knowledge, expertise, experience, professionalism, integrity, time commitment, character, competence, and number of directorships, and in the case of candidates for the position of Independent Non-Executive Director, ensuring they meet the independence requirements.

(ii) Assisting the Board in carrying out annual assessments of the effectiveness of the Board, Board Committees, and performance of each Director.

(iii) Conducting annual review assessments of the independence of Independent Directors.

(iv) Carrying out annual reviews on the mix of skills, experience, and other qualities of the Board, including the core competencies required of Non-Executive Directors, and disclosing this in our IARs.

(v) Making recommendations to the Board concerning the re-election and re-appointment of Directors at each AGM.

A copy of the Terms of Reference of the NC is published and available for viewing on the Company's website at https://peccagroup.com/.

Summary of Works

During the financial year under review, the NC undertook the following activities:

(i) Assessed and was satisfied with the effectiveness of the Board as a whole and the Board Committees as a whole, and the contributions of each Director.
(ii) Reviewed and was satisfied with the mix of skills, knowledge, expertise, experience, composition, and size of the Board in terms of gender, ethnicity, and age, as well as environmental, social, and governance considerations.
(iii) Assessed the independence of the Independent Directors and concluded that they comply with the criteria of independence set out in the Bursa Malaysia MMLR.
(iv) Assessed and was satisfied with the character, experience, integrity, competence, and time commitment of the Directors and Chief Executive Officer ("CEO").
(v) Assessed the fit and properness of Directors due for retirement by rotation, and recommended eligible Directors for re-election to the Board, subject to shareholders' approval at the forthcoming 15th AGM.
(vi) Reviewed the terms of office of the ARMC and assessed the performance, effectiveness, and financial literacy of its members in discharging their duties and obligations in accordance with its Terms of Reference.
(vii) Discussed training programmes for Directors to enhance their skills and knowledge.
(viii) Reviewed and recommended the appointment of a new Director and an ARMC member.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II Board Composition (Cont'd)

8. Board Committees (Cont'd)

(b) NC (Cont'd)

Summary of Works (Cont'd)

(ix) Assessed the independence of Independent Directors who had served on the Board for a cumulative term of more than nine (9) years in accordance with the MCCG, and recommended continuation to the Board, subject to shareholders' approval at the forthcoming 15^{th} AGM.
(x) Assessed the fitness and propriety of a new Chief Financial Officer ("CFO") candidate and recommended their appointment to the Board for approval.

(c) RC

The RC comprises exclusively of Independent Non-Executive Directors, as follows:

Datuk Leong Kam Weng (Chairman)
Independent Non-Executive Director

Dato' Mohamed Suffian Bin Awang (Member)
Independent Non-Executive Chairman

Dato' Dr. Norhizan Bin Ismail (Member)
Independent Non-Executive Director

The RC is governed by its Terms of Reference, which outline its remit, duties, and responsibilities. These include, but are not limited to the following:

(i) Ensuring that remuneration for Directors is set at a competitive level to recruit, attract, retain, and motivate high-calibre individuals.
(ii) Recommending to the Board appropriate remuneration packages for the Executive Directors, Non-Executive Directors, and Key Management.
(iii) Reviewing the performance of the Executive Directors and GMD, and recommending to the Board specific adjustments in remuneration and/or reward payments, if any, to reflect their contributions for the year.
(iv) Ensuring that the level of remuneration is aligned with the business strategy and long-term objectives of the Company, complexity of the Company's activities, and experience and level of responsibilities undertaken by the Directors and Key Senior Management.
(v) Reviewing Directors' fees and benefits, including any compensation for loss of employment of a former or current Director, and recommending these for Board approval, subject to shareholders' approval at the forthcoming 15^{th} AGM.

A copy of the Terms of Reference of the RC is published and available for viewing on the Company's website at https://peccagroup.com/.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II Board Composition (Cont'd)

8. Board Committees (Cont'd)

(c) RC (Cont'd)

Summary of Works

Below is a summary of key activities undertaken by the RC during the financial year under review:

(i) Reviewed the Directors' fees and benefits payable, and recommended the same to the Board, subject to shareholders' approval at the forthcoming 15th AGM.
(ii) Reviewed the remuneration packages of the Executive Directors and Key Management of the Company and its subsidiaries, and recommended the same to the Board for approval.
(iii) Reviewed and recommended the Directors' fees and benefits payable to the newly appointed Directors, from their appointment date until the conclusion of the forthcoming 15th AGM in 2025.
(iv) Reviewed and recommended the remuneration package of the newly appointed CFO in accordance with the terms of his employment letter, for Board approval.

9. Annual Assessment on Effectiveness of the Board and Individual Directors

The NC has put in place a formal evaluation process to assess the effectiveness of the Board as a whole, the effectiveness of the Board Committees, the contribution and performance of each Director, and the performance of ARMC members on an annual basis.

The evaluation process is led by the NC Chairman, who is an Independent Non-Executive Director, and supported by the Company Secretaries. The evaluation process is conducted via questionnaires to review the effectiveness of the Board and its Board Committees, and is based on self-review and peer assessment. The NC reviews the outcomes of the assessment and reports to the Board areas for improvement, in particular, and uses the results as the basis for recommending relevant Director(s) for re-election at the AGM.

The NC reviews the effectiveness of the Board by taking into account the composition of the Board, time commitment, Boardroom activities, and overall performance. Independence of Independent Directors, meanwhile, is assessed with a focus on whether they can exercise objective judgement and act in the best interest of the Group.

Upon its FY2025 assessment conducted on the effectiveness of the Board and Board Committees; character, experience, integrity, competence, and time commitment of each Director and the CFO; mix of skills and experience of the Board; level of independence of the Directors; and term of office and performance of the ARMC and each of its members, the NC concluded that the Directors had discharged their duties satisfactory. The NC was also satisfied with the performance of the Board and Board Committees. As for the balance and composition of the Board, the NC concluded that the Directors have the appropriate mix of skills, experience, knowledge, and professional qualifications to contribute positively to the Board Committees and Board as a whole.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III Remuneration

The RC has established a Directors' and Senior Management's Remuneration Policy which is linked to the strategic performance and long-term objectives of the Company to ensure that it is able to attract and retain capable Directors and Senior Management to run the Group successfully. Executive Directors' remuneration is structured to link rewards to corporate and individual performances, while Non-Executive Directors' remuneration reflects their experience and level of responsibilities.

In determining the remuneration of the Directors and Senior Management, the Company aims to provide fair and competitive remuneration to its Board and/or Senior Management in order for the Company to benefit by attracting and retaining a high-quality team. The RC is authorised by the Board to seek appropriate professional advice within and outside the Group as and when it considers necessary.

The annual salaries, incentive arrangements, service arrangements, and other employment conditions for the Executive Directors and/or Senior Management are reviewed by the RC and recommended to the Board for approval, and where necessary, subject to shareholders' approval.

Senior Management personnel who report directly to the Executive Directors are evaluated annually, premised on annual measurements and targets set. Thereafter, the Executive Directors approve the remuneration of the Senior Management personnel based on their performance.

Directors abstain from deliberating and voting on their own remuneration at Board meetings.

The remuneration of Non-Executive Directors for the financial year under review was determined by the Board as a whole, with the total quantum recommended by the Board for shareholders' approval at the forthcoming 15th AGM.

Details of Directors' remuneration for FY2025 in respect of the Group and Company, including fees, salaries, bonus, benefit-in-kinds, allowances, and other components of individual Directors on a named basis, are provided under Practice 8.1 of the Corporate Governance Report 2025, which is available on the Company's website at https://peccagroup.com/.

In determining the remuneration packages of the Group's Senior Management, factors taken into consideration include individual responsibilities, skills, expertise, and contributions to the Group's performance, and whether the remuneration package is competitive and sufficient to ensure that the Group is able to attract and retain executive talent.

Although the MCCG stipulates that the Company should disclose on a named basis the top five (5) Senior Management's detailed remuneration, including salary, bonus, benefits-in-kind, and other emoluments in bands of RM50,000, other than the disclosure of the CEO's remuneration, the Board has not done so as it is of the opinion that such disclosure may cause tension and unhealthy competition among Senior Management. In addition, such disclosure would not be in the best interest of the Group given the high possibility of these employees being poached.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I ARMC

1. Composition

The ARMC is responsible for assisting the Board in fulfilling its statutory and fiduciary responsibilities of monitoring the Group's management of its financial risk processes, accounting, and financial reporting practices, ensuring the efficacy of the Group's system of internal control, and maintaining oversight of both the internal and external audit functions.

The ARMC comprises four (4) members, all of whom are Independent Non-Executive Directors. The ARMC Chairman, Datuk Leong Kam Weng, is an Independent Non-Executive Director and not Chairman of the Board. Datuk Leong Kam Weng is also a Fellow of Certified Practising Accountant ("CPA") Australia and Chartered Accountant of the Malaysian Institute of Accountants ("MIA").

The independence, objectivity, and integrity of the members of the ARMC are the key requirements that the Board of the Company recognises as essential for an effective and independent ARMC. None of the members of the ARMC is a former key audit partner. Based on the recommendation of MCCG, the Audit Committee requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.

More information on the ARMC and its activities during the financial year is set out in the ARMC Report of this IAR 2025.

2. Financial Reporting

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the Group at any time, and ensuring that the financial statements of the Group comply with the Companies Act 2016 and applicable approved financial reporting standards in Malaysia.

The ARMC assists the Board in discharging its fiduciary duties by ensuring that the audited financial statements and quarterly financial reports are prepared in accordance with the MFRS and Bursa Malaysia MMLR. In presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Board aims to present a balanced and fair assessment of the Company's financial position and prospects. The ARMC reviews the Company's quarterly financial results and annual audited financial statements to ensure accuracy, adequacy, and completeness prior to presentation to the Board for its approval.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I ARMC (Cont'd)

3. Suitability and Independence of External Auditors

The Board maintains a good professional relationship with the External Auditors through the ARMC by discussing with them their audit plans, audit findings, and financial statements. The ARMC invites the External Auditors at least twice a year to discuss their findings and the audited financial statements of the Group. In FY2025, the ARMC also met with the External Auditors without the presence of the Executive Directors, GMD, and Senior Management of the Company.

The ARMC is responsible for the recommendation on the appointment and re-appointment of the Company's External Auditors, and the audit fees. During the year, the ARMC carried out an assessment of the performance and suitability of the External Auditors based on the quality of services, sufficiency of resources, communication and interaction, and independence and objectivity.

Messrs. Crowe Malaysia PLT, the External Auditors of the Company, have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the MIA.

The ARMC is satisfied with the suitability and independence of Messrs. Crowe Malaysia PLT based on the quality and competency of services delivered, sufficiency of the firm, and professional staff assigned to the annual audit, as well as the non-audit services performed for FY2025.

For FY2025, the fees paid and payable to the External Auditors, Messrs. Crowe Malaysia PLT, and its affiliated firms by the Company and the Group are stated in the table below:

Nature of Services	Company (RM)	Group (RM)
Audit fees - Messrs. Crowe Malaysia PLT	58,000	182,000
Non-Audit fees: - Messrs. Crowe Malaysia PLT	7,000	7,000
Total	65,000	189,000

* *The amounts disclosed include non-audit fees incurred for reviewing the SORMIC and other information included in the IAR 2025.*

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II Risk Management and Internal Control Framework

1. Risk Management and Internal Controls

The Board assumes overall responsibility for establishing a risk management framework and maintaining a sound system of risk management and internal control throughout the Group, which provides reasonable assurance of the effectiveness and efficiency of the Group's operations, encompassing not only financial aspects but also operational and regulatory compliance. The ARMC has been entrusted by the Board to ensure the effectiveness of the Group's internal control systems. The ultimate objectives are to protect the Group's assets and safeguard shareholders' investments.

The Board acknowledges that while the internal control system is devised to cater for particular needs of the Company, risk management only provides reasonable assurance against material misstatements or loss.

The SORMIC, as set out in this IAR 2025, provides an overview of the state of risk management and internal controls within the Group.

2. Internal Audit Function

The Board acknowledges the significance of a sound system of risk management and internal control to manage the overall risk exposure of the Group.

The Group has an internal audit function, which is outsourced to GovernAce Advisory & Solutions Sdn. Bhd. and reports directly to the ARMC. The resources and scope of work covered by the internal audit function during the financial year under review, including its observations and recommendations, are provided in the ARMC Report of this IAR 2025. Details on the person responsible for the internal audit are set out below:

Name	:	Chong Chee Seng
Qualification	:	Certified Internal Auditor, Fellow Certified Practising Accountant with CPA Australia, Chartered Member of Institute of Internal Auditors Malaysia, and Accountant registered with the MIA
Independence	:	Does not have any family relationship with any director and/or major shareholder of the Company
Public Sanction or penalty	:	Has no convictions for any offences within the past five (5) years, other than traffic offences, if any, and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year

The ARMC meets regularly to review the risks identified, discuss mitigation actions in place, and report to the Board on a quarterly basis. Details of the internal audit function are set out in the SORMIC and ARMC Report of this IAR 2025.

The Board affirms its overall responsibility with established and clear functional responsibilities and accountabilities, which are carried out and monitored by the ARMC. The adequacy and effectiveness of the internal controls and risk management framework are reviewed by the ARMC.

Further information may be found in the SORMIC of this IAR 2025.

Corporate Governance Overview Statement

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

I Communication with Stakeholders

The Board has formalised corporate disclosure policies and procedures to enable comprehensive, accurate, and timely disclosures of the Group to regulators, shareholders, and stakeholders, not only to comply with the disclosure requirements stipulated in the Bursa Malaysia MMLR, but also to specify the persons authorised and responsible for approving and disclosing material information in accordance with the Bursa Malaysia MMLR.

The Board has established a dedicated section for corporate information on the Company's website at https://peccagroup.com/, where information on the Company's announcements, financial information, share prices, and IARs may be accessed. It also contains all announcements made to Bursa Malaysia, as well as the contact details of a designated person to address any queries.

It has always been the Group's practice to maintain good relationships with its shareholders. Major corporate developments and happenings in the Group have always been duly and promptly announced to all shareholders, in line with Bursa Malaysia's objectives of ensuring transparency and good corporate governance practices.

The Group's financial performance, major corporate developments, and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, IARs, corporate announcements to Bursa Malaysia, and press conferences. Further updates of the Group's activities and operations are also disseminated to shareholders and investors through dialogue with analysts, fund managers, investor relations roadshows, and the media.

II Conduct of General Meetings

The 14th AGM of the Company was held physically in 2024. The AGM is the principal forum for dialogue with shareholders, providing an opportunity for them to understand the financial and operational performance of the Company and pose questions to the Chairman, other Directors, and Key Management. The Chairman allocated sufficient time to encourage the shareholders, proxies, and corporate representatives to ask questions pertaining to the matters tabled at the general meeting or voice any concerns. The Board, Management team, and the Company's External Auditors were present at the meetings to answer questions raised and provide clarification as required by the shareholders, proxies, and corporate representatives.

Notice of the 14th AGM, which sets out these resolutions together with the Company's Annual Report 2024, was circulated to shareholders at least twenty-eight (28) days prior to the meeting to provide shareholders with sufficient time for consideration and make informed decisions. Shareholders unable to attend were allowed to appoint proxies to attend, speak, and vote on their behalf. Voting at the 14th AGM was conducted through electronic poll voting, and the votes cast were validated by an independent scrutineer. The outcome of all resolutions proposed at the AGM was announced to Bursa Malaysia at the end of the meeting day, while the minutes of the AGM were circulated to shareholders not later than 30 business days after the meeting.

This Corporate Governance Overview Statement was approved by the Board of the Company on 6 October 2025.

Audit and Risk Management Committee Report

The Board of Directors (the "Board") of Pecca Group Berhad ("Pecca" or the "Company") is pleased to present the Audit and Risk Management Committee ("ARMC") Report for for the financial year ended 30 June 2025 ("FY2025").

The ARMC's role is to carry out the functions of an audit committee as set out in Paragraph 15.12 of the Bursa Malaysia Main Market Listing Requirements ("Bursa Malaysia MMLR"), and oversee the risk management framework and policies of Pecca and its subsidiaries (the "Group").

Details of the composition, authority, responsibilities, and procedures of the ARMC are formalised in its Terms of Reference, which is available on our corporate website at https://peccagroup.com/.

1. COMPOSITION

The ARMC comprises the following Independent Non-Executive Directors:

- Datuk Leong Kam Weng[1] (Chairman)
- Dato' Mohamed Suffian Bin Awang (Member)
- Dato' Dr. Norhizan Bin Ismail (Member)
- Dato' Seri Dr. Chen Chaw Min[2] (Member)

Remarks:
1. *Also a member of the Malaysian Institute of Accountants ("MIA")*
2. *Appointed as an ARMC member on 8 April 2025*

The ARMC Chairman, Datuk Leong Kam Weng, is a Fellow of Certified Practising Accountant ("CPA") Australia and Chartered Accountant of the MIA. ARMC members are equipped with the skills, experience, and competency to carry out their functions and responsibilities effectively. For the financial year under review, the Board evaluated the performance and effectiveness of the ARMC via the Nomination Committee's ("NC") review of the term of office and performance of the ARMC and its members, and was satisfied that the ARMC members were able to and had discharged their functions and responsibilities in accordance with their Terms of Reference.

2. MEETINGS OF THE COMMITTEE

During FY2025, five (5) ARMC meetings were held, with details of attendance as follows:

Name	Total Meetings Attended	Percentage
Datuk Leong Kam Weng	5/5	100%
Dato' Mohamed Suffian Bin Awang	4/5	80%
Dato' Dr. Norhizan Bin Ismail	5/5	100%
Dato' Seri Dr. Chen Chaw Min	1/1	100%

During ARMC meetings, representatives of the External Auditor, Internal Auditor, and other officers of the Group are present, only upon the ARMC's invitation, to brief the ARMC on relevant issues. The ARMC ensures that the External and Internal Auditors have direct communication with the ARMC and that the External Auditors are able to meet the ARMC without the presence of other Directors or members of Key Senior Management at least twice a year.

Audit and Risk Management Committee Report

3. SUMMARY OF ACTIVITIES OF THE ARMC

Key activities carried out by the ARMC for FY2025 were as follows:

i. Financial Reporting

a. Reviewed the Group's unaudited quarterly financial results for the first quarter (ended 30 September 2024), second quarter (ended 31 December 2024), third quarter (ended 31 March 2025), and fourth quarter (ended 30 June 2025), before recommending them for the Board's approval to release the results to Bursa Malaysia. The reviews focused on, amongst others, ensuring compliance with relevant financial reporting standards such as the Malaysian Financial Reporting Standards ("MFRS"), and other requirements such as the Bursa Malaysia MMLR.

b. Reviewed the Group and the Company's annual audited financial statements for FY2025 together with the External Auditor, Messrs. Crowe Malaysia PLT, before recommending them for the Board's approval. The ARMC obtained assurance from the External Auditor that the financial statements give a true and fair view of the financial position and financial performance of the Group and of the Company for FY2025, in accordance with relevant financial reporting standards.

c. Reviewed the impact of changes to and implementation of accounting policies, and adoption of new accounting standards and significant matters highlighted in the financial statements.

d. The ARMC Chairman briefed the Board on key issues and considerations discussed by the ARMC when tabling the unaudited quarterly financial results and annual audited financial statements to the Board.

ii. External Audit

a. Reviewed the External Auditor's audit plan for FY2025, including its scope of work, anticipated key audit matters, reporting timelines, and their fees. The ARMC also obtained written confirmation from the External Auditor that its engagement team members have complied with the relevant requirements regarding professional independence during the presentation of the audit plan.

b. Reviewed the External Auditor's audit results and findings for the annual audited financial statements for FY2025, including any audit or accounting issues raised. The ARMC also obtained written confirmation from the External Auditor that its engagement team members have complied with professional independence requirements throughout the conduct of the audit engagement.

c. Conducted two private sessions with the External Auditor without the presence of the Group Managing Director ("GMD"), Executive Directors, and Key Management of the Group to enable the External Auditor to raise any other matters noted during the course of the audit to the ARMC and discuss the assistance given by the management to the External Auditor during the audit.

d. Reviewed and approved the scope, nature, and fees for non-audit services by the External Auditor and its affiliates before they were rendered. The review and approval processes were carried out in accordance with the Group's policy on non-audit services, established to ensure non-audit services by external auditors do not compromise their objectivity and independence.

e. Assessed the suitability, objectivity, and independence of the External Auditor, considering, amongst others, their competence, audit quality, and resource capacity via a formalised "Evaluation of the Performance and Independence of the External Auditor", and upon review and being satisfied with the results of said assessment, the same was recommended to the Board for approval.

f. Reviewed and recommended to the Board for approval the proposed re-appointment of Messrs. Crowe Malaysia PLT as the External Auditor of the Company, and authorised the Board to fix their remuneration.

Audit and Risk Management Committee Report

3. SUMMARY OF ACTIVITIES OF THE ARMC (CONT'D)

Key activities carried out by the ARMC for FY2025 were as follows: (Cont'd)

iii. Internal Audit

a. Reviewed the annual internal audit plan proposed by the outsourced Internal Auditor, GovernAce Advisory & Solutions Sdn. Bhd., considering, amongst others, the internal audit scope, approach, and fees.

b. Reviewed the internal audit reports presented by the Internal Auditor, including the Internal Auditor's evaluation of the internal control system, highlights of any weaknesses identified, their recommendations, and the outcome of follow-up audits pertaining to audit findings and action plans arising from previous audits. The ARMC also invited the relevant Management personnel to clarify or address issues highlighted, share their action plans, and provide status updates, as necessary.

c. Conducted two private sessions with the Internal Auditor without the presence of the GMD, Executive Directors, and Key Management of the Group to enable the Internal Auditor to raise any other issues noted during the conduct of internal audit activities.

d. Reviewed the performance and effectiveness of the Internal Auditor based on, amongst others, its objectivity and independence, resources, competency, qualification, and whether internal audit activities were carried out in accordance with a recognised framework.

iv. Review of Related Party Transactions ("RPT")

a. Reviewed the RPT and Recurrent Related Party Transactions ("RRPT") of the Group and the Company to ensure they were made on terms not more favourable to the related party than those generally available to the public, and that they comply with the Bursa Malaysia MMLR.

b. Reviewed the Circular to Shareholders in relation to the proposed renewal of their mandate for RRPT of revenue or trading nature, and submitted its recommendation to the Board for approval.

v. Risk Management

a. Reviewed the Risk Profile of the Group on a semi-annual basis, ensuring key risks of the Group were properly managed. The Risk Profile of the Group was prepared by the Senior Management team, led by the GMD and assisted by the Chief Financial Officer ("CFO"), in accordance with the Group's Risk Management Procedure.

b. Reviewed the adequacy and effectiveness of the risk management and internal control systems of the Group, amongst others, through meetings with and updates by the Management, the internal audit function, and assurance by the GMD, CEO, and CFO.

c. Reviewed the Statement on Risk Management and Internal Control ("SORMIC"), which was also reviewed by the External Auditor, and recommended it for the Board's approval for inclusion in the Company's Integrated Annual Report ("IAR") for FY2025.

vi. Ethical and Integrity Areas

The ARMC did not receive any reports under the Group's Whistle-blower Policy in FY2025. The Committee takes the implementation of this policy very seriously, particularly in ensuring the confidentiality and protection of whistleblowers.

Audit and Risk Management Committee Report

3. SUMMARY OF ACTIVITIES OF THE ARMC (CONT'D)

Key activities carried out by the ARMC for FY2025 were as follows: (Cont'd)

vii. Others

a. Reviewed and recommended for the Board's approval, the Chairman & GMD Statement, Management Discussion and Analysis, Sustainability Statement, Corporate Governance Overview Statement, Corporate Governance Report, and ARMC Report, for inclusion in the IAR for FY2025.

b. Reviewed and recommended for the Board's approval the Circular to Shareholders in relation to the proposed renewal of authority for the Company to purchase its own ordinary shares.

c. Reviewed the results of the financial year ended 30 June 2025 and compared it to the budgeted results for the financial year.

d. Reviewed potential and actual conflicts of interest of Directors and Key Senior Management to ensure they act in the best interests of the Group when a conflict of interest arises or potentially arises, thereby enabling systematic identification, disclosure, and management of conflicts of interest in an effective and timely manner.

e. Reviewed the proposed dividend payout, taking into consideration cash flow requirements, before recommending it for the Board's approval.

4. SUMMARY OF THE ACTIVITIES OF INTERNAL AUDIT FUNCTIONS

The Group's internal audit function is outsourced to GovernAce Advisory & Solutions Sdn. Bhd., a professional internal audit service provider which reports directly to the ARMC. The main role of the Internal Auditor is to provide reasonable assurance on the adequacy and operating effectiveness of the risk management and internal control system of Pecca to the Board, through the ARMC. The internal audit function is independent of the activities it audits.

The Internal Auditor has adopted a risk-based approach in developing the annual internal audit plan, which was reviewed and approved by the ARMC. The Internal Auditor carries out internal audit activities based on the approved annual internal audit plan and is guided by the International Professional Practices Framework for internal auditing issued by the Institute of Internal Auditors. The Internal Auditor has the necessary authority to carry out its internal audit work, including access to documents, systems, and personnel. In addition, the Internal Auditor performs follow-up audits to review whether action plans agreed by Management pertaining to previous internal audit cycles have been implemented.

The summary of activities carried out by the Internal Auditor in FY2025 is as follows:

i. Proposed the annual internal audit plan for the ARMC's approval;

ii. Performed its internal audit, including internal control review, on the following areas:
   - Warehouse;
   - Planning;
   - Purchasing; and
   - Costing.

Audit and Risk Management Committee Report

4. SUMMARY OF THE ACTIVITIES OF INTERNAL AUDIT FUNCTIONS (CONT'D)

The summary of activities carried out by the Internal Auditor in FY2025 is as follows: (Cont'd)

iii. Performed follow-up audits on the following areas:
- Marketing and Sales;
- Information Technology;
- Production;
- Warehouse;
- Planning; and
- Purchasing.

iv. Presented the results and findings arising from the internal and follow-up audits to the ARMC, including recommendations to strengthen the system of internal controls and address the weaknesses identified.

The ARMC discussed these findings with the Internal Auditor and, where necessary, sought Management's clarification on relevant matters. The ARMC took note of the findings raised by the Internal Auditor and their corresponding remedial action plans as agreed by Management, which shall be monitored for implementation and progress in the following internal audit cycles.

The internal audit team that carried out said internal audit and follow-up audit activities comprised four personnel with relevant qualifications and experience, amongst whom was an Engagement Partner who is also a Certified Internal Auditor, Fellow of CPA Australia, Chartered Member of the Institute of Internal Auditors Malaysia, and Accountant registered with the MIA. The total cost incurred by the internal audit function of the Group in respect of FY2025 amounted to RM66,000.

This Report is dated 6 October 2025.

Statement on Risk Management and Internal Control

This Statement on Risk Management and Internal Control ("SORMIC") is made pursuant to Paragraph 15.26(b) of the Bursa Malaysia Main Market Listing Requirements ("Bursa MMLR") and Malaysian Code on Corporate Governance 2021 ("MCCG"). The SORMIC outlines the nature and scope of Pecca and its subsidiaries' (the "Group") system of risk management and internal control, including the risk management framework and processes, which was in place in the financial year ended 30 June 2025 ("FY2025") and up to the date of approval of the SORMIC. Preparation of the SORMIC was made in consideration of the mandatory contents outlined in the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers published by Bursa Malaysia.

THE BOARD'S RESPONSIBILITY AND GOVERNANCE STRUCTURE

The Board of Directors ("Board") acknowledges its responsibility to establish a sound system of risk management and internal control to safeguard the assets of Pecca Group Berhad ("Group") and its shareholders' investments. This includes the responsibility to regularly review the adequacy and operating effectiveness of the Group's system of risk management and internal control. Whilst acknowledging its responsibilities, the Board is aware of the limitations that are inherent in any system of internal control and risk management, which can only manage, rather than eliminate, risks that may impede the achievement of the Group's business objectives. Accordingly, such a system can only provide reasonable, but not absolute, assurance against material misstatement or losses, fraud, or breaches of laws or regulations.

The Board assumes, in its Board Charter, the following duties and responsibilities, which are also in line with the Principles and Practices of the MCCG:

- Ensuring there is a sound framework for internal control and risk management;
- Understanding the principal risks of the Group's business and recognising that business decisions involve the taking of appropriate risks; and
- Setting the risk appetite within which the Board expects the Management team to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage, and monitor significant financial and non-financial risks.

To assist the execution of the Board's duties and responsibilities, the Audit and Risk Management Committee ("ARMC") is entrusted by the Board to oversee the risk management framework and policies of the Group, including overseeing the implementation, reviewing the adequacy and operating effectiveness of the Group's system of risk management and internal control, and reviewing and monitoring the Group's risk profiles and the management of key risks identified from time to time. The ARMC is comprised of 4 Independent Non-Executive Directors and is supported by the Management team, led by the Group Managing Director ("GMD").

The Management team includes the GMD, Executive Directors ("ED"), Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Chief Operating Officer ("COO"), and the heads of the respective departments are responsible for implementing the risk management framework and policies, including the processes on risk identification, evaluation, management, monitoring, and reporting.

Statement on Risk Management and Internal Control

RISK MANAGEMENT

The Board recognises that an effective risk management framework enables the Group to systematically identify, evaluate, manage, and report risks. As such, the Group has established a risk management framework – formalised in the Group's Risk Management Procedure – which incorporates a risk management methodology guided by international standards on risk management, i.e. ISO 31000:2018. The risk management framework is applied across the Group, including the following key functions or operating units:

PECCA GROUP BERHAD

- Sales and Marketing
- Group Marketing
- Stylelab
- Purchasing
- Shipping
- Operations
- Product Development
- Group Finance & Costing
- Management Information System/ Information Technology ("MIS/IT")
- Group Human Resource & Administration
- Warehouse

The risk management framework provides guidance for the Group's systematic approach towards identifying, assessing, managing, and reporting risks of the Group and its operations. The Group's risks are identified and assessed taking into consideration the Group's strategic plans approved by the Board. The assessment of risks considers the potential sources of risks, their likelihood of occurrence, and impacts, if they materialise. These risks are then prioritised and documented in risk registers, including the Management's action plans to address these risks, as guided by the risk appetite approved by the Board. The Group's Risk Profile is prepared to present a consolidated overview of the significant risks faced by the Group and is tabled for review, deliberation, and approval by the Board, through the ARMC. Subsequent to the approval by the Board, the Management team is responsible for implementing action plans to mitigate risks to their desired levels as approved in the Risk Profile. The GMD provides the leadership for the Group's risk management culture, where all employees are responsible for managing the Group's risks.

The Group's risks, as identified, are broadly categorised as follows:

Strategic Risk	Operational Risk	Financial Risk	Compliance Risk
Risks that affect the Group or department in meeting its overall vision, mission, and strategic objectives	Risks that affect the effectiveness and efficiency of the operational conditions within the Group or department in meeting its objectives	Risks that affect the financial position of the Group or department in meeting its objectives	Risks that affect the processes and effort of the Group or department in ensuring all applicable regulatory requirements are complied with

Statement on Risk Management and Internal Control

SUMMARY OF RISK MANAGEMENT ACTIVITIES DURING THE FINANCIAL YEAR

The highlights of the Group's risk management activities conducted during the financial year under review are as follows:

- The Management team performed semi-annual updates on the Group's Risk Profile, including relevant updates to the management of key risks and emerging risks. The ARMC reviewed the Group's Risk Profile, which was subsequently tabled to the Board.
- The Management team updated the ARMC on their strategies and action plans for addressing changes in the Risk Profile, including emerging risks. The ARMC reviewed and deliberated on the Management's updates and subsequently updated the Board. Amongst others, the emerging topics focused on during the financial year included compliance with relevant standard operating procedures set by the government to ensure smooth manufacturing activities and product shipments, while keeping everyone safe.
- The ARMC reviewed the adequacy and effectiveness of the risk management and internal control system of the Group through the work of the Management, External and Internal Auditors, and assurance by the GMD, ED, CEO, CFO, and COO.

INTERNAL CONTROL SYSTEM

The key elements of the Group's internal control system are as follows:

1. **Organisation Structure**

   The organisation structure sets out clear segregation of roles and responsibilities, lines of accountability, and levels of authority to ensure effective and independent stewardship and checks and balances. The Board, which is responsible for the overall direction, strategy, performance, and management of the Group, is governed by its Board Charter. The Board Charter sets out, amongst others, the roles and responsibilities of the Board, as well as matters on which the Board reserves full decision-making powers. In providing direction and oversight, the Board is supported by the Board committees, namely the ARMC, Nomination Committee ("NC"), and Remuneration Committee ("RC"). Each committee has clearly defined terms of reference and responsibilities. The Management team, led by the GMD, is delegated with the necessary authority to manage the day-to-day business of the Group.

2. **Code of Ethics**

   The Group is committed to conducting business fairly, impartially, ethically, and in compliance with all laws and regulations. In order to set the right tone at the top, a Code of Ethics for Directors is in place to set out the standards of ethical behaviour for Directors and uphold the spirit of social responsibility and accountability in line with the laws, regulations, and guidelines governing a company. The Code of Ethics for Directors is applicable to all Directors of the Group and addresses topics including corporate governance, relationships with stakeholders, social and environmental responsibilities, human rights, safety, anti-corruption, conflict of interest situations, as well as the duties, responsibilities, and professionalism of Directors. The Code of Ethics for Directors also provides mechanisms to report unethical conduct and suspected violations of the Code. The ethical conduct and behaviours of employees are also governed by the Group's Employees' Code of Ethics and Conduct.

3. **Policies and Procedures**

   Standard operating policies and procedures are in place to ensure the Group's employees carry out operations and business activities in a properly guided, effective, and standardised manner. The Group's standard operating policies and procedures cover the Group's key functions, including Sales and Marketing, Group Marketing, Stylelab, Purchasing, Shipping, Operations, Product Development, Group Finance & Costing, MIS/IT, Group Human Resources & Administration, and Warehouse. The standard operating policies and procedures were developed considering, amongst others, internal controls to address risks identified, and appropriate control activities such as approval, verification, reconciliation, and segregation of key conflicting functions. These policies and procedures are reviewed and updated from time to time to adapt to the changing business environment.

Statement on Risk Management and Internal Control

INTERNAL CONTROL SYSTEM (CONT'D)

The key elements of the Group's internal control system are as follows: (Cont'd)

4. Annual Surveillance and Process Audit

The Group's key subsidiary, Pecca Leather Sdn. Bhd., is an IATF 16949:2016-certified manufacturer and also holds the ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, and ISO 13485:2016 certifications. As such, the Company is subject to annual surveillance audits by a certification body, Kiwa International Certifications (M) Sdn. Bhd., a business partner of Kiwa Cermet Italia, to ensure that the Company continues to meet quality standards requirements.

The Group's aviation segment, its wholly-owned subsidiary, Pecca Aviation Services Sdn. Bhd., is an Approved Maintenance Organisation ("AMO") Part 145; Scope C6, and Production Organisation Approval ("POA") Part 21; Scope C2 certificate holder. As such, the Company is subject to annual surveillance audits by certification bodies, i.e. the Civil Aviation Authority of Malaysia ("CAAM") and European Union Aviation Safety Agency ("EASA"), to ensure that the Company continues to meet quality standards requirements.

5. Internal Audit

The Group has engaged an independent external service provider, GovernAce Advisory & Solutions Sdn. Bhd., as Internal Auditors to carry out the internal audit function in the Group, providing independent advice and assurance on the adequacy and operating effectiveness of the Group's system of risk management and internal control. In carrying out its internal audit work, the Internal Auditors are guided by the International Professional Practices Framework, which is a globally recognised framework on internal auditing. The Internal Auditors are independent of the activities they audit and report directly to the ARMC. Internal audit findings, such as internal control weaknesses, are highlighted to the ARMC, who will monitor the Management's action plans and progress in addressing such weaknesses. For FY2025, 4 cycles of internal audit were carried out. Further details on the roles and activities of the internal audit function are set out in the ARMC Report on pages 153 to 157 of this Integrated Annual Report ("IAR").

6. Whistle-blower Policy

As the Group expects the highest standards of integrity, probity, transparency, and accountability from all employees to preserve and protect the Group's interests and reputation, the Group takes a serious view of any acts of wrongdoing by any of its employees. The Board has approved a Whistle-blower Policy to allow employees to raise concerns, without fear of reprisals, on possible improprieties in matters pertaining to, amongst others, corruption or bribery, financial reporting, compliance, and other malpractices, at the earliest opportunity and in an appropriate manner. The Whistle-blower Policy provides protection to the whistleblower in the form of identity confidentiality and against retaliation. Furthermore, the Whistle-blower Policy also provides a reporting channel to an Independent Non-Executive Director.

7. Anti-Bribery and Anti-Corruption ("ABAC") Policy

The ABAC Policy was established to provide clear guidance to the Group's employees and associated persons on maintaining ethical conduct in business dealings. It aims to prevent involvement in bribery and corruption when dealing with business partners and suppliers, public officials, gift and hospitality, political contributions, sponsorships and charitable donations, facilitation payments, and record-keeping.

8. Management Representation

The Board has received assurance from the GMD that the Group's risk management and internal control system was operating adequately and effectively, in all material respects, during FY2025.

Statement on Risk Management and Internal Control

INTERNAL CONTROL SYSTEM (CONT'D)

The key elements of the Group's internal control system are as follows: (Cont'd)

9. Strategic Business Planning Process

Appropriate business plans are established in which the Group's business objectives, strategies, and targets are articulated. Business planning and budgeting are undertaken annually to establish plans and targets against which performance is monitored on an ongoing basis.

10. Performance Monitoring and Reporting

The Management team, led by the GMD, ED, CEO, CFO, COO and the heads of the respective departments, monitors and reviews financial and operational results of the Group regularly, including reporting of its performance against the operating plans and targets. The Management team formulates and implements action plans to address identified areas of concern.

Monitoring and review is carried out via weekly Management meetings, bi-weekly credit control meetings, monthly Group management meetings, weekly operation meetings, weekly sales meetings, monthly forecast meetings, annual budgeting meetings, and presentations to the Board on our quarterly results against the budget, annual budget, and business plan, and annual Sustainability Statements.

THE BOARD'S CONCLUSION

Considering the assurance obtained from the GMD, together with input from relevant parties, including the reports, findings, and feedback from the Internal Auditors, the Board is of the view that the system of risk management and internal control is adequate and operating effectively, in all material aspects, to achieve its objectives, and there were no significant weaknesses which resulted in material losses, contingencies, or uncertainties that would require separate disclosure in this IAR. The Board is committed to ensuring adequate measures are taken to enhance the ongoing adequacy and operating effectiveness of the system of risk management and internal control.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this SORMIC pursuant to the scope set out in the Audit and Assurance practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the SORMIC included in the Annual Report issued by the MIA, for inclusion in the IAR of the Group for FY2025, and reported to the Board that nothing has come to their attention that causes them to believe that the SORMIC intended to be included in the IAR of the Group, in all material respects:

a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers; or
b) is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' SORMIC covers all risks and controls, or form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and opinion by the Board and Management team thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the IAR will, in fact, remedy the problems.

This SORMIC was approved by the Board on 6 October 2025.

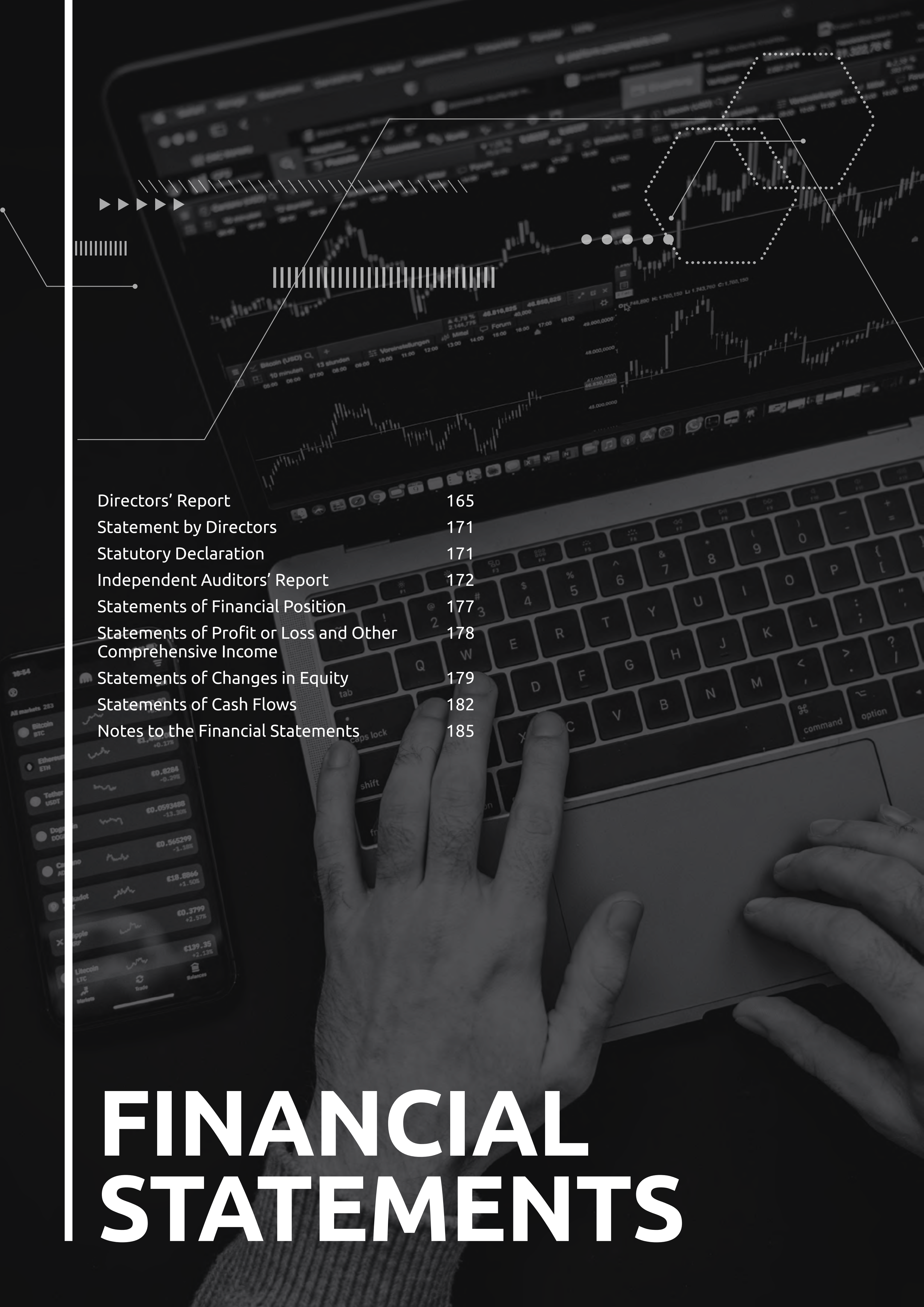
Directors' Responsibility Statement

The Board of Directors (the "Board") is responsible for ensuring that the financial statements prepared for each financial year are in accordance with the applicable approved accounting standards and the provisions of the Companies Act 2016 so as to give a true and fair view of the state of affairs of Pecca and its subsidiaries (the "Group") and Pecca Group Berhad ("Pecca" or the "Company") at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements for the financial year ended 30 June 2025, the Board has:

- Adopted appropriate and relevant accounting policies which were consistently applied;
- Made judgments and used estimates that are prudent and reasonable;
- Ensured that all applicable approved accounting standards have been complied;
- Ensured that proper accounting and other records are kept to sufficiently explain the transactions recorded;
- General responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and the Company;
- Taken reasonable steps to prevent and detect fraud and other irregularities; and
- Prepared the audited financial statements on a going concern basis, having made inquiries that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

This Statement was approved by the Board on 6 October 2025.



FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities, whilst the principal activities of its subsidiaries are as stated in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year attributable to:-		
Owners of the Company	57,121	57,895
Non-controlling interests	(25)	-
	57,096	57,895

DIVIDENDS

Dividends paid or declared by the Company since 30 June 2024 are as follows:-

	RM'000
In respect of the financial year ended 30 June 2024	
Third interim single-tier dividend of 1.50 sen per ordinary share, paid on 25 July 2024	11,277
Fourth interim single-tier dividend of 1.50 sen per ordinary share, paid on 20 September 2024	11,126
Special interim single-tier dividend of 1.50 sen per ordinary share, paid on 13 December 2024	10,948
In respect of the financial year ended 30 June 2025	
First interim single-tier dividend of 1.50 sen per ordinary share, paid on 20 December 2024	10,948
Second interim single-tier dividend of 1.50 sen per ordinary share, paid on 21 March 2025	10,948
Third interim single-tier dividend of 1.00 sen per ordinary share, paid on 20 June 2025	7,298
Fourth interim single-tier dividend of 1.00 sen per ordinary share, paid on 26 September 2025	7,273
	69,818

The directors do not recommend the payment of any further dividends for the financial year.

DIRECTORS' REPORT

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

TREASURY SHARES

During the financial year, the Company purchased 24,507,400 of its issued ordinary shares from the open market at an average price of RM1.26 per share. The total consideration paid for the purchase was RM30,926,277 including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 127(16) of the Companies Act 2016 and are presented as a deduction from equity.

As at 30 June 2025, the Company held as treasury shares a total of 24,724,268 of its issued and fully paid-up ordinary shares. The treasury shares are held at a carrying value of RM30,986,450. The details of the treasury shares are disclosed in Note 13 to the financial statements.

Subsequent to end of the financial year, the Company re-purchased additional 2,820,800 number of shares at an average purchase price of RM1.47 per share for a total consideration of RM4,138,356.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

DIRECTORS' REPORT

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Datuk Teoh Hwa Cheng
Datin Sam Yin Thing
Dato' Mohamed Suffian Bin Awang
Datuk Leong Kam Weng
Teoh Zi Yi
Teoh Zi Yuen
Dato' Dr. Norhizan Bin Ismail
Dato' Seri Dr. Chen Chaw Min (Appointed on 8.4.2025)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Sam Chee Keng
Mudhieng Sae-tan
Herny Pramana
Neo Hwee Leong
K Karunakaran A/L Karuppannan
Zulhilmi Bin Zahidi (Appointed on 1.7.2025)
Yeo Bee Hwan (Resigned on 15.7.2024)
Junaidy Bin Sulaiman (Resigned on 30.6.2025)

DIRECTORS' INTERESTS

The interests and deemed interests in the shares of the Company and its related corporations (other than wholly-owned subsidiaries) of those who were directors at financial year end (including the interests of the spouses or children of the directors who themselves are not directors of the Company) as recorded in the Register of directors' shareholdings are as follows:-

	Number of ordinary shares			
	At 1.7.2024/ At date of appointment #	**Bought**	**Sold**	**At 30.6.2025**
Company				
Direct Interests				
Datin Sam Yin Thing	51,961,276	1,500,000	-	53,461,276
Datuk Teoh Hwa Cheng	24,367,296	-	-	24,367,296
Datuk Leong Kam Weng	435,364	-	-	435,364
Dato' Mohamed Suffian Bin Awang	435,364	-	-	435,364
Teoh Zi Yi	1,293,032	-	-	1,293,032
Dato' Seri Dr. Chen Chaw Min#	1,700,048	-	-	1,700,048
*Indirect Interests**				
Datuk Teoh Hwa Cheng	373,075,532	-	-	373,075,532
Datin Sam Yin Thing	373,075,532	-	-	373,075,532

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONT'D)

The interests and deemed interests in the shares of the Company and its related corporations (other than wholly-owned subsidiaries) of those who were directors at financial year end (including the interests of the spouses or children of the directors who themselves are not directors of the Company) as recorded in the Register of directors' shareholdings are as follows (Cont'd):-

* Deemed interested in shares held by MRZ Leather Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

\# Shares held at date of appointment as a Director of the Company pursuant to Section 219 of the Companies Act 2016.

By virtue of their interest in shares of the Company, Datuk Teoh Hwa Cheng and Datin Sam Yin Thing are deemed interested in the shares of all subsidiaries disclosed in Note 5 to the financial statements to the extent that the Company has an interest.

None of the other directors holding office at 30 June 2025 had any interest in the ordinary shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 29(b)(ii) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the director to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	From the Company	From the Subsidiaries	Total
	RM'000	RM'000	RM'000
Fees	276	60	336
Salaries, bonuses and other benefits	30	2,243	2,273
Defined contribution benefits	-	196	196
	306	2,499	2,805

INDEMNITY AND INSURANCE COSTS

During the financial year, the amount of insurance effected for the directors and officers of the Company and its subsidiaries was RM5,000,000.

No indemnity was given to or insurance effected for the auditors of the Company.

DIRECTORS' REPORT

HOLDING COMPANY

The holding company is MRZ Leather Holdings Sdn. Bhd., a company incorporated in Malaysia.

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 5 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration of the Group and of the Company for the financial year are as follows:-

	Group RM'000	Company RM'000
Audit fees	182	58
Non-audit fees	7	7
	189	65

Signed in accordance with a resolution of the directors dated 13 October 2025.

Datuk Teoh Hwa Cheng

Datin Sam Yin Thing

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Datuk Teoh Hwa Cheng and Datin Sam Yin Thing, being two of the directors of Pecca Group Berhad, state that, in the opinion of the directors, the financial statements set out on pages 177 to 233 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2025 and their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 13 October 2025.

Datuk Teoh Hwa Cheng

Datin Sam Yin Thing

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Tan Han Leong (MIA Membership Number: 18698), being the officer primarily responsible for the financial management of Pecca Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 177 to 233 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Tan Han Leong,
at Kuala Lumpur
in the Federal Territory
on this 13 October 2025

Tan Han Leong

Before me

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PECCA GROUP BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Pecca Group Berhad, which comprise the statements of financial position of the Group and of the Company as at 30 June 2025, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 177 to 233.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PECCA GROUP BERHAD (CONT'D)

Key Audit Matters (Cont'd)

We have determined the matter described below to be the key audit matter to be communicated in our report.

Recoverability of Trade Receivables
Refer to Note 9 and Note 26.4(iii) to the financial statements

Key Audit Matter	How our audit addressed the key audit matter
As at 30 June 2025, the Group has significant trade receivable balances of approximately RM36,482,000. The details of trade receivables and its credit risks are disclosed in Note 26.4(iii) to the financial statements. The management applied assumptions in assessing the level of allowance for impairment losses on trade receivables based on the following:- • specific known facts or circumstances on customers' ability to pay; and/or • by reference to past default experiences The Group assessed at each of the reporting date whether there is any objective evidence that trade receivables are impaired based on the validity of contractual terms, analysis of customer creditworthiness, past historical payment trends and expectation of repayment. The impairment assessment involved significant judgements and there is inherent uncertainty in the assumptions applied by the management to evaluate the adequacy of the allowance for impairment losses and estimation of future cash collection. We determined this to be a key audit matter due to the inherent subjectivity that is involved in making judgement in relation to credit risk exposures to assess the recoverability of trade receivables.	Our audit procedures included, amongst others:- • Reviewed and understand the management's assessment of recoverability of major trade receivables; • Reviewed contractual terms to ensure the Group has contractual right to recognise revenue and collect payments; • Reviewed recoverability of major trade receivables including but not limited to the review of subsequent collections; • Enquired management on receivables status for major customers; • Obtained written confirmations for certain selected trade receivables. For the non-replies, we have performed alternative procedures; • Reviewed collections and sales trends during the financial year of major trade receivables; and/or • Reviewed management's basis of estimation on the adequacy of the Group's allowance for impairment losses on trade receivables.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PECCA GROUP BERHAD (CONT'D)

Key Audit Matters (Cont'd)

Valuation of Inventories
Refer to Note 8 to the financial statements

Key Audit Matter	How our audit addressed the key audit matter
The Group has significant inventories balances of approximately RM23,824,000 as at 30 June 2025. There is judgement involved in assessing the level of allowance required for slow-moving and obsolete inventories. Accordingly, there is a risk that allowance for slow-moving and obsolete inventories have not been adequately provided for.	Our audit procedures included, amongst others:- • We have obtained an understanding of the process on allowance for slow-moving and obsolete inventories and the design and control effectiveness over slow-moving inventories; • We have observed the physical inventory count including sighting the conditions of the inventories; • We have compared the carrying amount of the inventories to their corresponding net realisable values; • We have reviewed the slow-moving inventories by taking into consideration the ageing profile of the inventories and enquired management plan to realise the slow-moving inventories; and • We have assessed the adequacy of the allowance for slow-moving and obsolete inventories.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include in the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PECCA GROUP BERHAD (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group or of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PECCA GROUP BERHAD (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kaw Hoong Siang
03379/06/2026 J
Chartered Accountant

Kuala Lumpur

13 October 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Assets					
Property, plant and equipment	3	42,538	41,655	34	44
Right-of-use assets	4	23,508	23,617	-	-
Investments in subsidiaries	5	-	-	103,851	103,851
Other investments	6	418	418	-	-
Goodwill	7	140	140	-	-
Total non-current assets		66,604	65,830	103,885	103,895
Inventories	8	23,824	24,223	-	-
Trade and other receivables	9	45,232	42,485	2,941	13,850
Contract assets	10	-	7	-	-
Prepayments	11	4,552	1,777	22	30
Current tax assets		74	645	12	18
Cash and cash equivalents	12	104,910	153,682	7,868	32,501
Total current assets		178,592	222,819	10,843	46,399
Total assets		245,196	288,649	114,728	150,294
Equity					
Share capital	13.1	135,702	135,702	135,702	135,702
Treasury shares	13.2	(30,986)	(60)	(30,986)	(60)
Reserves	13.3	103,749	98,202	9,833	3,206
Total equity attributable to owners of the Company		208,465	233,844	114,549	138,848
Non-controlling interests		568	670	-	-
Total equity		209,033	234,514	114,549	138,848
Liabilities					
Deferred tax liabilities	14	7,128	5,735	-	-
Lease liabilities	15	108	37	-	-
Post-employment benefits		25	42	-	-
Borrowings	16	4,069	4,645	-	-
Total non-current liabilities		11,330	10,459	-	-
Trade and other payables	17	20,144	22,282	179	169
Dividend payable	18	-	11,277	-	11,277
Current tax liabilities		3,056	7,456	-	-
Lease liabilities	15	320	418	-	-
Borrowings	16	1,313	2,243	-	-
Total current liabilities		24,833	43,676	179	11,446
Total liabilities		36,163	54,135	179	11,446
Total equity and liabilities		245,196	288,649	114,728	150,294

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Group		Company	
	Note	2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Revenue	19	224,500	242,545	58,400	27,200
Cost of sales		(127,992)	(146,595)	-	-
Gross profit		96,508	95,950	58,400	27,200
Other income		753	3,035	-	-
Selling and distribution expenses		(6,974)	(7,064)	-	-
Administrative expenses		(19,976)	(22,406)	(995)	(863)
Impairment gain/(loss) on:					
- financial instruments		26	(206)	-	-
- non-financial instruments		1,484	(1,000)	-	-
Results from operating activities		71,821	68,309	57,405	26,337
Finance income	20	4,104	4,181	520	1,188
Finance costs		(328)	(339)	-	-
Profit before taxation	21	75,597	72,151	57,925	27,525
Income tax expense	22	(18,501)	(17,130)	(30)	(20)
Profit for the financial year		57,096	55,021	57,895	27,505
Other comprehensive expenses, net of tax					
Items that will be reclassified subsequently to profit or loss					
Foreign currency translation differences on foreign operation		(393)	(153)	-	-
Actuarial gain/(loss) on post-employment benefits		10	(7)	-	-
		(383)	(160)	-	-
Total comprehensive income for the financial year		56,713	54,861	57,895	27,505
Profit attributable to:-					
Owners of the Company		57,121	54,994	57,895	27,505
Non-controlling interests		(25)	27	-	-
Profit for the financial year		57,096	55,021	57,895	27,505
Total comprehensive income attributable to:-					
Owners of the Company		56,815	54,865	57,895	27,505
Non-controlling interests		(102)	(4)	-	-
Total comprehensive income for the financial year		56,713	54,861	57,895	27,505
Basic and diluted earnings per ordinary share (sen)	23				
- basic		7.80	7.32		
- diluted		7.80	7.32		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Attributable to owners of the Company									
		Non-distributable					Distributable				
Group	Note	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 2024		135,702	(60)	(60,822)	(24)	18,965	(7)	140,090	233,844	670	234,514
Profit after taxation for the financial year		-	-	-	-	-	-	57,121	57,121	(25)	57,096
Other comprehensive income for the financial year:											
- actuarial gain on post-employment benefits		-	-	-	-	-	8	-	8	2	10
- foreign currency translation differences on foreign operations		-	-	-	(314)	-	-	-	(314)	(79)	(393)
Total comprehensive income for the financial year		-	-	-	(314)	-	8	57,121	56,815	(102)	56,713
Dividend distributions to owners of the Company	24	-	-	-	-	-	-	(51,268)	(51,268)	-	(51,268)
Purchase of own shares	13.2	-	(30,926)	-	-	-	-	-	(30,926)	-	(30,926)
At 30 June 2025		135,702	(30,986)	(60,822)	(338)	18,965	1	145,943	208,465	568	209,033

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

		Attributable to owners of the Company									
		Non-distributable						Distributable			
Group	Note	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 2023		135,702	(60)	(60,822)	100	18,965	(2)	118,927	212,810	410	213,220
Profit after taxation for the financial year		-	-	-	-	-	-	54,994	54,994	27	55,021
Other comprehensive income for the financial year:											
- actuarial loss on post-employment benefits		-	-	-	-	-	(5)	-	(5)	(2)	(7)
- foreign currency translation differences on foreign operations		-	-	-	(124)	-	-	-	(124)	(29)	(153)
Total comprehensive income for the financial year		-	-	-	(124)	-	(5)	54,994	54,865	(4)	54,861
Dividend distributions to owners of the Company	24	-	-	-	-	-	-	(33,831)	(33,831)	-	(33,831)
Effect of change in equity interest held in subsidiaries		-	-	-	-	-	-	-	-	264	264
At 30 June 2024		135,702	(60)	(60,822)	(24)	18,965	(7)	140,090	233,844	670	234,514

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

	Note	Attributable to owners of the Company			
		Non-distributable		Distributable	
		Share capital	Treasury shares	Retained earnings	Total equity
Company		RM'000	RM'000	RM'000	RM'000
At 1 July 2023		135,702	(60)	9,532	145,174
Profit and total comprehensive income for the financial year		-	-	27,505	27,505
Dividend distributions to owners of the Company	24	-	-	(33,831)	(33,831)
At 30 June 2024/1 July 2024		135,702	(60)	3,206	138,848
Profit and total comprehensive income for the financial year		-	-	57,895	57,895
Dividend distributions to owners of the Company	24	-	-	(51,268)	(51,268)
Purchase of own shares	13.2	-	(30,926)	-	(30,926)
At 30 June 2025		135,702	(30,986)	9,833	114,549

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Cash flows from/(for) operating activities					
Profit before taxation		75,597	72,151	57,925	27,525
Adjustments for:					
Depreciation of:					
- property, plant and equipment	3	5,046	4,669	10	6
- right-of-use assets	4	749	797	-	-
Dividend income		-	-	(58,400)	(27,200)
Finance income	20	(4,104)	(4,181)	(520)	(1,188)
Finance costs		328	339	-	-
Gain on:					
- derecognition of lease		(1)	-	-	-
- disposal of property, plant and equipment		(61)	(258)	-	-
- lease modification		(14)	-	-	-
Inventories:	8				
- written down		918	-	-	-
- written off		26	1,767	-	-
- written back		(146)	(750)	-	-
Impairment (gains)/losses on:					
- plant and machineries		(1,484)	1,000	-	-
- trade receivables		(26)	206	-	-
Property, plant and equipment written off		2	18	-	-
Unrealised (gain)/loss on foreign exchange	21	(38)	83	-	-
Operating profit/(loss) before working capital changes		76,792	75,841	(985)	(857)
Changes in inventories		(399)	3,170	-	-
Changes in trade and other receivables		(2,808)	11,868	(2)	440
Changes in contract assets		7	123	-	-
Changes in prepayments		(2,775)	(251)	8	(20)
Changes in trade and other payables		(1,954)	3,045	9	22
Changes in post-employment benefits		(17)	5	-	-
Cash generated from/(for) operations		68,846	93,801	(970)	(415)
Net income tax paid		(20,937)	(17,512)	(24)	(9)
Interest paid		(328)	(339)	-	-
Net cash from/(for) operating activities		47,581	75,950	(994)	(424)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

		Group		Company	
	Note	2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Cash flows (for)/from investing activities					
Acquisition of property, plant and equipment	3	(4,540)	(4,738)	-	(50)
Acquisition of right-of-use asset		(332)	-	-	-
Proceeds from disposal of property, plant and equipment		65	369	-	-
Advances to subsidiaries		-	-	(1,088)	(1,133)
Dividends received		-	-	70,400	23,200
Interests received		4,104	4,181	520	1,188
Net cash (for)/from investing activities		(703)	(188)	69,832	23,205
Cash flows for financing activities					
Dividends paid		(62,545)	(27,666)	(62,545)	(27,666)
Payment of lease liabilities	15	(335)	(523)	-	-
Net repayment of borrowings		(1,506)	(4,982)	-	-
Purchase of own shares	13.2	(30,926)	-	(30,926)	-
Net cash for financing activities		(95,312)	(33,171)	(93,471)	(27,666)
Net (decrease)/increase in cash and cash equivalents		(48,434)	42,591	(24,633)	(4,885)
Effects of foreign exchange translation		(338)	(141)	-	-
Cash and cash equivalents at the beginning of financial year		153,682	111,232	32,501	37,386
Cash and cash equivalents at the end of financial year		104,910	153,682	7,868	32,501

Cash outflows for leases as a lessee

	2025	2024
Group	RM'000	RM'000
Included in net cash from/(for) operating activities:		
Interest paid in relation to lease liabilities	54	10
Included in net cash for financing activities:		
Payment of lease liabilities	335	523
Total cash outflow for leases	389	533

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

Reconciliation of movement in lease liabilities to cash flows arising from financing activities:

Group	At 1 July 2024	Acquisition of new lease	Changes due to lease modification	Exchange differences	Derecognition due to lease modification	Net changes from financing cash flows	At 30 June 2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Lease liabilities	455	6	367	(22)	(43)	(335)	428

Reconciliation of movement in borrowings to cash flows arising from financing activities:

Group	At 1 July 2024	(Repayment)/ Drawdown	At 30 June 2025
	RM'000	RM'000	RM'000
Term loan	5,040	(630)	4,410
Trade financing	1,199	(1,199)	-
Hire purchase payables	649	323	972
	6,888	(1,506)	5,382

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Pecca Group Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:-

Principal place of business

No. 1, Jalan Perindustrian Desa Aman 1A
lndustri Desa Aman, Kepong
52200 W.P. Kuala Lumpur

Registered office

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as “Group” and individually referred to as the “Company”.

The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

Holding company

The holding company is MRZ Leather Holdings Sdn. Bhd., a company incorporated in Malaysia.

Principal activities

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 13 October 2025.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

1.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)
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

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statement of the Group and of the Company.

1.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (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:-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application except as follows:-

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The Group and the Company are currently assessing the impact of implementing this new standard.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Critical Accounting Estimates and Judgements

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment and Right-of-use Assets

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment and right-of-use assets are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment and right-of-use assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Note 3 and Note 4 to the financial statements respectively.

(b) Property, Plant and Equipment and Right-of-use Assets under Revaluation

Certain properties of the Group held under property, plant and equipment and right-of-use assets are reported at revalued amounts which are based on valuations performed by independent professional valuers. The valuers used judgement in determining the factors used in the valuation process and have also applied judgement in estimating prices for not readily observable external parameters by reference to the selling prices of recent transactions and asking prices of similar properties of nearby locations and where necessary, adjusting for tenure, location, size, market trends and others. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuations. The carrying amounts of related properties and right-of-use assets measured at revaluation as at the reporting date are disclosed in Note 3 and Note 4 to the financial statements respectively.

(c) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amounts of current tax assets and current tax liabilities of the Group and of the Company as at the reporting date are approximately RM74,000 and RM3,056,000 (2024: RM645,000 and RM7,456,000) and RM12,000 and Nil (2024: RM18,000 and Nil) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.1 Critical Accounting Estimates and Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Impairment of Property, Plant and Equipment and Right-of-use Assets

The Group determines whether an item of its property, plant and equipment and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Note 3 and Note 4 to the financial statements respectively.

(e) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 8 to the financial statements.

(f) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed is Note 9 to the financial statements.

(g) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amount of other receivables as at the reporting date is disclosed in Note 9 to the financial statements.

(h) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.1 Critical Accounting Estimates and Judgements (Cont'd)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

2.2 Financial Instruments

(a) Financial Assets

Financial Assets through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.2 Financial Instruments (Cont'd)

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

Treasury Shares

Treasury shares are recorded on initial recognition at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

2.3 Goodwill

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

2.4 Investment in Subsidiaries

Investments in subsidiaries which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

2.5 Property, Plant and Equipment

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings are subsequently measured at valuation less any accumulated depreciation and any accumulated impairment losses.

The Group revalues its land and buildings every five (5) years and at a shorter interval whenever the fair value of the revalued assets is expected to differ materially from their carrying value. Additions subsequent to their revaluation are stated in the financial statements at costs until the next revaluation exercise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Property, Plant and Equipment (Cont'd)

Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Buildings	50 years
Plant and machineries	3 - 10 years
Motor vehicles	5 years
Office equipment	4 - 10 years
Furniture and fittings	10 years
Computer	2 - 5 years
Renovation	3 - 10 years

Capital work-in-progress included in property, plant and equipment are not depreciated until such time when the asset is available for use.

2.6 Right-of-use Assets and Lease Liabilities

(a) Short-term Leases and Leases of Low-value Assets

The Company apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost incurred in bringing the inventories to their present location and condition are accounted for as follows:-

- Raw materials: purchase costs of leather and certain non-leather materials purchased in batches are on first-in first-out basis while other materials are on weighted average basis.

- Finished goods: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

3. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Computers RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
Cost/Valuation									
At 1 July 2023	25,350	25,292	3,988	2,033	4,292	2,303	12,118	349	75,725
Additions	-	854	2,825	125	48	711	149	26	4,738
Disposals	-	-	(1,385)	-	-	(15)	-	-	(1,400)
Written off	-	(105)	-	-	-	-	-	-	(105)
Exchange rate	-	(105)	-	(10)	-	-	(36)	-	(151)
At 30 June 2024/1 July 2024	25,350	25,936	5,428	2,148	4,340	2,999	12,231	375	78,807
Additions	-	879	2,179	133	114	375	77	783	4,540
Disposals	-	(10)	(380)	-	(9)	-	-	-	(399)
Written off	-	-	-	(4)	(1)	(7)	-	-	(12)
Reclassification	-	-	-	-	-	178	-	(178)	-
Exchange rate	-	(141)	-	(13)	-	-	(43)	(17)	(214)
At 30 June 2025	25,350	26,664	7,227	2,264	4,444	3,545	12,265	963	82,722

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Buildings RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Computers RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
Accumulated depreciation									
At 1 July 2023	-	14,758	3,326	1,640	3,320	1,559	6,338	-	30,941
Additions	507	2,025	460	152	193	388	944	-	4,669
Disposals	-	-	(1,286)	-	-	(3)	-	-	(1,289)
Written off	-	(87)	-	-	-	-	-	-	(87)
Exchange rate	-	(67)	-	(7)	-	-	(8)	-	(82)
At 30 June 2024/1 July 2024	507	16,629	2,500	1,785	3,513	1,944	7,274	-	34,152
Additions	507	1,869	938	153	179	468	932	-	5,046
Disposals	-	(6)	(380)	-	(9)	-	-	-	(395)
Written off	-	-	-	(2)	(1)	(7)	-	-	(10)
Exchange rate	-	(93)	-	(9)	-	-	(23)	-	(125)
At 30 June 2025	1,014	18,399	3,058	1,927	3,682	2,405	8,183	-	38,668

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Buildings RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Computers RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
Impairment loss									
At 1 July 2023	-	2,000	-	-	-	-	-	-	2,000
Addition	-	1,000	-	-	-	-	-	-	1,000
At 30 June 2024/1 July 2024	-	3,000	-	-	-	-	-	-	3,000
Reversal	-	(1,484)	-	-	-	-	-	-	(1,484)
At 30 June 2025	-	1,516	-	-	-	-	-	-	1,516
Carrying amounts									
At 30 June 2024	24,843	6,307	2,928	363	827	1,055	4,957	375	41,655
At 30 June 2025	24,336	6,749	4,169	337	762	1,140	4,082	963	42,538

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	**2025** RM'000	**2024** RM'000
Computers		
Cost		
At 1 July	50	50
Accumulated depreciation		
At 1 July	6	-
Additions	10	6
At 30 June	16	6
Carrying amount		
At 30 June	34	44

In June 2023, the buildings have been revalued by an independent professional valuer. The market values of these properties were determined by the valuer using the comparison and cost method based on the nature of the properties and the availability of suitable evidence. Surplus of RM5,380,000 arising from the revaluation, net of deferred tax, has been credited to other comprehensive income and accumulated in equity under the revaluation reserve.

Had the buildings been carried at historical cost less accumulated depreciation, the carrying amount of the buildings that would have been included in the financial statements at the end of the financial year would be as follows:-

Group	**2025** RM'000	**2024** RM'000
Buildings		
At cost	17,161	17,161
Accumulated depreciation	(5,349)	(5,013)
	11,812	12,148

Fair Value Information

Fair value of the buildings are categorised as follows:-

	Level 3	
Group	**2025** RM'000	**2024** RM'000
Buildings	25,350	25,350

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Policy on Transfer between Levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer. As of the financial year end, there has been no transfer between all levels of fair value.

Valuation Process Applied by the Group

Level 3 Fair Value

Level 3 fair value is estimated using inputs with significant adjustments for the buildings. Fair values of buildings have been generally derived using the comparison and cost method.

Under the comparison method, sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size and location. The most significant unobservable input into this valuation approach is price per square foot of comparable properties.

Under the cost method, the building value is determined by the building layout, design and specification, cost of construction and depreciation.

4. RIGHT-OF-USE ASSETS

Group	Leasehold land RM'000	Buildings RM'000	Storage RM'000	Motor vehicle RM'000	Office equipment RM'000	Total RM'000
At 1 July 2023	23,200	958	286	25	-	24,469
Depreciation	(273)	(327)	(191)	(6)	-	(797)
Exchange differences	-	(55)	-	-	-	(55)
At 30 June 2024/ 1 July 2024	22,927	576	95	19	-	23,617
Additions	332	-	-	-	6	338
Depreciation	(262)	(294)	(186)	(6)	(1)	(749)
Derecognition due to lease modification	-	(28)	-	-	-	(28)
Exchange differences	-	(37)	-	-	-	(37)
Modification of lease liabilities (Note 15)	-	-	367	-	-	367
At 30 June 2025	22,997	217	276	13	5	23,508

The leasehold land is amortised over the lease terms of 99 years.

In June 2023, the leasehold land was revalued by an independent professional valuer. The market value of the land was determined by the valuer using the comparison method based on the nature of the properties and the availability of suitable evidence. The surplus of RM2,820,000 arising from the revaluation, net of deferred tax, had been credited to other comprehensive income and accumulated in equity under the revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

4. RIGHT-OF-USE ASSETS (CONT'D)

Had the leasehold land been carried at historical cost less accumulated depreciation, the carrying amount of the leasehold land would have been included in the financial statements at the end of the financial year would be as follows:-

	2025	2024
Group	RM'000	RM'000
Leasehold land		
At cost:-	13,352	13,352
Accumulated depreciation	(1,104)	(961)
	12,248	12,391

The Group has leased a number of office buildings for a period from 2 to 3 (2024: 2 to 3) years, with an option to renew the lease after that date. The Group is not allowed to sublease the office buildings.

The Group leases storage that runs for a period of two years, with an option to renew the lease after that date.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the portfolio of leased asset and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Fair Value Information

Fair value of the leasehold land is categorised as follows:-

	Level 3	
	2025	**2024**
Group	RM'000	RM'000
Leasehold land	23,200	23,200

Policy on Transfer between Levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer. As of the financial year end, there has been no transfer between all levels of fair value.

Valuation Process Applied by the Group

Level 3 Fair Value

Level 3 fair value is estimated using inputs with significant adjustments for the leasehold land. Fair value of leasehold land has been generally derived using the comparison method.

Under the comparison method, sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size and location. The most significant unobservable input into this valuation approach is price per square foot of comparable properties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

5. INVESTMENTS IN SUBSIDIARIES

	Company 2025 RM'000	Company 2024 RM'000
Cost of investment	103,962	103,962
Less: Impairment losses	(111)	(111)
	103,851	103,851

Details of the subsidiaries are as follows:-

Name of entity	Principal place of business / Country of incorporation	Principal activities	Effective ownership interest and voting interest 2025 %	2024 %
Evolusi Mobiliti Sdn. Bhd. ("EMSB")#	Malaysia	Dormant.	30.00	30.00
Pecca Aviation Services Sdn. Bhd.	Malaysia	Manufacturing, repair, refurbishment, distribution and installation of aircraft leather seat covers and other leather related products for commercial and private aircrafts.	100.00	100.00
Pecca Leather Sdn. Bhd. ("PLeather")	Malaysia	Styling, manufacturing, distribution and installation of leather car seat covers, supply of leather cut pieces to the automotive upholstery industry and other services related to the automotive upholstery industry and manufacturing and distribution of healthcare products.	100.00	100.00
PT Pecca Gemilang Indonesia ("PT Gemilang")*	Indonesia	Manufacturing and supply of upholstery leather car seat wrapping and seat cover.	80.00	80.00
Pecca EV Sdn. Bhd.	Malaysia	Dormant.	100.00	100.00
Pecca Leather (Thailand) Company Limited ("PThailand")*##	Thailand	Dormant.	49.00/ 82.77	49.00/ 82.77
Pecca Plus Sdn. Bhd.	Malaysia	Dormant.	100.00	100.00

* Audited by a firm other than Crowe Malaysia PLT.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (Cont'd):-

Although the Group owns less than half of the ownership interest in EMSB, the directors have determined that the Group has de facto control over this entity on the basis that the Group:

i) is exposed, or has rights, to variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity; and

ii) has the operational knowledge and financial means to direct the activities of the entity that significantly affect the investee's return.

Although the Group owns less than half of the ownership interest in PThailand, the directors have determined that the Group controls this entity on the basis that the Group:

i) possesses 2,450 Class A shares with 5 voting rights per share which translates to a majority voting rights of 83% over PThailand;

ii) is exposed, or has rights, to variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity; and

iii) has current ability to direct the activities of the entity that significantly affect the investee's return.

5.1 Significant changes to investments in subsidiaries:-

5.1.1 In the previous financial year:-

On 2 April 2024, PT Gemilang increased its authorised, issued and fully paid-up share capital from 3,594 shares to 10,000 shares with par value per share of Rp1 million which represent approximately RM294 per share.

As of that date, PLeather subscribed for 5,124 of the additional shares issued by PT Gemilang for a total cash consideration of RM1,506,456. This resulted in the equity interest held by PLeather in PT Gemilang reduce from 80.02% to 80.00%.

5.2 Summarised financial information of the non-controlling interests in PThailand and PT Gemilang have not been presented as the related information is not individually material to the Group.

The Company's and PLeather's shareholdings in non-wholly owned subsidiaries during the financial year are as follows:-

	Number of equity shares			
	At 1.7.2024	**Bought**	**Sold**	**At 30.6.2025**
Interests held by the Company:				
- PThailand	2,450	-	-	2,450
- EMSB	300	-	-	300
Interests held via PLeather:				
- PT Gemilang	8,000	-	-	8,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

6. OTHER INVESTMENTS

	Group 2025 RM'000	Group 2024 RM'000
Non-current		
Financial assets at fair value through profit or loss:		
- club memberships	418	418
Others	-	*
	418	418

* Amount less than RM1,000

The club memberships include an amount of RM367,500 (2024: RM367,500) of a club membership registered in the name of a director of the Company.

7. GOODWILL

	Group 2025 RM'000	Group 2024 RM'000
At cost:		
At 30 June	140	140

The carrying amounts of goodwill is allocated to the subsidiary in Indonesia, PT Gemilang as the cash generating unit ("CGU").

The goodwill arose from the PLeather's acquisition of approximately 80.02% equity interest by PLeather in PT Gemilang in the year of aquisition.

No impairment testing is done on goodwill allocated to the CGU as it is considered immaterial to the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

8. INVENTORIES

	Group	
	2025	**2024**
	RM'000	RM'000
At cost:		
- raw materials	14,144	19,077
- finished goods	2,906	3,134
- work-in-progress	890	1,033
- goods in transit	4,386	-
	22,326	23,244
At net realisable value:		
- raw materials	1,498	979
	23,824	24,223
Recognised in profit or loss:-		
Inventories recognised as cost of sales	127,194	145,578
Inventories written down	918	-
Inventories written back	(146)	(750)
Inventories written off	26	1,767

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

9. TRADE AND OTHER RECEIVABLES

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Trade receivables					
Amount due from third parties	9.1	37,535	38,319	-	-
Less: Allowance for impairment losses	26.4(iii)	(1,207)	(1,244)	-	-
		36,328	37,075	-	-
Amount due from related parties	9.1	154	4,115	-	-
		36,482	41,190	-	-
Non-trade receivables					
Amounts due from subsidiaries:	9.2				
- advances		-	-	3,141	2,050
- dividend receivable from a subsidiary		-	-	-	12,000
Less: Allowance for impairment losses	26.4(iii)	-	-	(200)	(200)
		-	-	2,941	13,850
Amount due from holding company	9.2	1	-	-	-
Other receivables	9.3	588	1,023	-	-
		589	1,023	2,941	13,850
Deposits	9.4	8,161	272	-	-
		45,232	42,485	2,941	13,850

9.1 The Group's normal trade credit terms range from 30 to 90 (2024: 30 to 90) days.

9.2 These are non-trade amounts which are unsecured, interest-free and repayable on demand.

9.3 Included in other receivables of the Group is an amount of approximately RM215,000 (2024: RM450,000) outstanding from non-trade related services rendered to certain companies substantially owned by certain directors of the Company.

The amounts due from all non-trade receivables are unsecured, interest-free and repayable on demand.

9.4 Included in deposits is an amount of approximately RM7,736,000 (2024: Nil), representing payments made to third parties for the acquisition of a piece of leasehold land.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

10. CONTRACT ASSETS

	Group	
	2025	**2024**
	RM'000	RM'000
At 1 July	7	130
Completed performance obligations	(7)	(123)
At 30 June	-	7

The contract assets primarily related to the Group's right to consideration for work completed but not yet billed as at the previous reporting date. The contract assets were transferred to trade receivables once the Group issued billings in the manner as established in the contracts with customers.

11. PREPAYMENTS

The prepayments of the Group mainly consist of advance payments made to suppliers for purchase of raw materials.

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	15,544	8,276	3,464	267
Liquid investments	89,366	145,406	4,404	32,234
	104,910	153,682	7,868	32,501

The liquid investments represent money market instruments held via unit trust funds. The liquid investments are deemed as cash and cash equivalents in view of their high liquidity and insignificant risk of changes in fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

13. SHARE CAPITAL AND RESERVES

13.1 Share Capital

	Group and Company			
	2025	2024	2025	2024
	Number of shares ('000)		RM'000	
Issued and fully paid ordinary shares with no par value classified as equity instruments:-				
At 1 July/30 June	752,000	752,000	135,702	135,702

Ordinary Shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company, except that all rights to the treasury shares are suspended until those shares are reissued.

13.2 Treasury Shares

	Group and Company			
	2025	2024	2025	2024
	Number of shares ('000)		RM'000	
At 1 July	217	217	60	60
Additions during the financial year	24,507	-	30,926	-
At 30 June	24,724	217	30,986	60

The shareholders of the Company, by a special resolution passed at the annual general meeting held on 21 November 2024, approved to renew the authority for the Company to repurchase its own shares. The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company has purchased 24,507,400 (2024: Nil) of its issued ordinary shares from the open market at an average price of RM1.26 (2024: Nil) per share. The total consideration paid for the purchase was RM30,926,277 (2024: Nil) including transaction costs. The ordinary shares purchased are held as treasury shares in accordance with Section 127(16) of the Companies Act 2016.

As at 30 June 2025, the Company held as treasury shares a total of 24,724,268 (2024: 216,868) of its issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM30,986,450 (2024: RM60,173).

Subsequent to end of the financial year, the Company re-purchased additional 2,820,800 number of shares at an average purchase price of RM1.47 per share for a total consideration of RM4,138,356.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

13. SHARE CAPITAL AND RESERVES (CONT'D)

13.3 Reserves

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	RM'000	RM'000	RM'000
Merger deficit	(60,822)	(60,822)	-	-
Translation reserve	(338)	(24)	-	-
Revaluation reserve	18,965	18,965	-	-
Other reserve	1	(7)	-	-
Retained earnings	145,943	140,090	9,833	3,206
	103,749	98,202	9,833	3,206

Merger Deficit

The merger deficit represents the difference between the cost of acquisition and the nominal value of the shares of subsidiaries acquired in previous years.

Translation Reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the foreign subsidiaries with functional currencies other than RM.

Revaluation Reserve

The revaluation reserve represents the surplus on revaluation of leasehold land and buildings of the Group, net of deferred tax.

Other Reserve

Other reserve represents cumulative actuarial gains and losses of a subsidiary arising from experience adjustments and changes in actuarial assumptions that have been charged or credited to other comprehensive income in the statements of other comprehensive income up to the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

14. DEFERRED TAX LIABILITIES

Recognised Deferred Tax Assets/(Liabilities)

Deferred tax assets/(liabilities) are attributable to the following:-

	Assets		Liabilities		Net	
	2025	2024	2025	2024	2025	2024
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revaluation surplus of leasehold land and buildings	-	-	(4,288)	(4,358)	(4,288)	(4,358)
Property, plant and equipment	-	-	(3,811)	(4,036)	(3,811)	(4,036)
Provisions	974	2,652	-	-	974	2,652
Other temporary differences	(3)	7	-	-	(3)	7
Tax assets/(liabilities)	971	2,659	(8,099)	(8,394)	(7,128)	(5,735)
Set off against liabilities	(971)	(2,659)	971	2,659	-	-
Net tax liabilities	-	-	(7,128)	(5,735)	(7,128)	(5,735)

Movement in temporary differences during the financial year

	At 1.7.2023	Recognised in profit or loss (Note 22)	At 30.6.2024/ 1.7.2024	Recognised in profit or loss (Note 22)	At 30.6.2025
Group	RM'000	RM'000	RM'000	RM'000	RM'000
Revaluation surplus of leasehold land and buildings	(5,619)	1,261	(4,358)	70	(4,288)
Property and equipment	(2,638)	(1,398)	(4,036)	225	(3,811)
Provisions	1,656	996	2,652	(1,678)	974
Others	(31)	38	7	(10)	(3)
	(6,632)	897	(5,735)	(1,393)	(7,128)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

14. DEFERRED TAX LIABILITIES (CONT'D)

Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):-

Group	2025 RM'000	2024 RM'000
Unutilised tax losses	3,921	3,640
Unabsorbed capital allowances	99	88
Other taxable temporary differences	(28)	(37)
	3,992	3,691

The unutilised tax losses from a Year of Assessment ("YA") can only be carried forward to be utilised against future taxable income up to 10 (2024: 10) consecutive YA from the year in which the losses were incurred, whilst the unabsorbed capital allowances do not expire under the current tax legislation.

The unutilised tax losses at the end of the reporting period expire between 2029 to 2033 (2024: expire between 2029 to 2032). The deferred tax assets have not been recognised in respect of above because it is not probable that future taxable profits will be available against which the subsidiary having these losses can utilise the benefits therefrom.

15. LEASE LIABILITIES

	Group	
	2025 RM'000	2024 RM'000
At 1 July	455	1,012
Addition	6	-
Changes due to lease modification (Note 4)	367	-
Derecognition due to lease modification	(43)	-
Interest expenses recognised in profit or loss	54	10
Repayment of principal	(335)	(523)
Payment of interest expenses	(54)	(10)
Exchange difference	(22)	(34)
At 30 June	428	455
Analysed by:-		
Current liabilities	320	418
Non-current liabilities	108	37
	428	455

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

16. BORROWINGS

	Group 2025 RM'000	Group 2024 RM'000
Non-current		
Hire purchase payables	289	235
Term loan	3,780	4,410
	4,069	4,645
Current		
Hire purchase payables	683	414
Trade financing	-	1,199
Term loan	630	630
	1,313	2,243
	5,382	6,888

The details of the term loan at the reporting date is as follows:-

	Number of Monthly Instalments	Monthly Instalment RM	Date of Commencement of Repayment
Term loan	120	52,500	July 2023

The hire purchase payables of the Group are secured by the related motor vehicles acquired under hire purchase with lease terms ranging 1 to 3 (2024: 1 to 2) years.

The contractual interest rates and the maturity analysis of borrowings are disclosed in Note 26.5 to the financial statements.

All the borrowings of the Group are secured by corporate guarantee from the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Trade				
Trade payables	16,144	12,553	-	-
Non-trade				
Other payables and accruals	4,000	9,729	179	169
	20,144	22,282	179	169

The normal credit term granted by the trade payables of the Group range from 30 - 90 (2024: 30 - 90) days.

18. DIVIDEND PAYABLE

	Group and Company	
	2025	2024
	RM'000	RM'000
Third interim single-tier of 1.50 sen per ordinary share	-	11,277

19. REVENUE

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Revenue recognised at point in time (Note 19.1)				
Revenue from contracts with customers	224,500	242,545	-	-
Revenue from other sources				
Dividend income	-	-	58,400	27,200
	224,500	242,545	58,400	27,200

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

19. REVENUE (CONT'D)

19.1 Disaggregation of Revenue

	Automotive segment		Non-automotive segment		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Primary geographical markets						
Malaysia	207,975	226,582	2,564	1,748	210,539	228,330
Asia Pacific	8,037	8,286	27	86	8,064	8,372
Europe	3,677	3,554	-	186	3,677	3,740
North America	1,806	1,679	-	-	1,806	1,679
Oceania	414	424	-	-	414	424
	221,909	240,525	2,591	2,020	224,500	242,545
Revenue from car seat covers:						
- original equipment manufacturer	185,068	195,373	-	-	185,068	195,373
- replacement equipment manufacturer	7,855	7,860	-	-	7,855	7,860
- pre-delivery inspection	9,403	16,637	-	-	9,403	16,637
Other sales	8,165	8,397	-	-	8,165	8,397
Other services	11,418	12,258	2,591	2,020	14,009	14,278
	221,909	240,525	2,591	2,020	224,500	242,545

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

19. REVENUE (CONT'D)

19.2 Nature of Goods and Services

The following information reflects the typical transactions of the Group:-

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Warranty
Car seat covers	Revenue is recognised at a point in time when the goods are delivered and accepted by the customer.	Credit period ranges from 30 to 90 days (2024: 30 to 90 days) from invoice date.	Not applicable.	Assurance warranties of 3 to 5 years are given to customers.
Pre-delivery inspection	Revenue is recognised at a point in time when the services are rendered.	Credit period ranges from 30 to 90 days (2024: 30 to 90 days) from invoice date.	Not applicable.	Not applicable.
Other sales	Revenue is recognised at a point in time when the goods are delivered and accepted by the customer.	Credit period ranges from 30 to 90 days (2024: 30 to 90 days) from invoice date.	Not applicable.	Assurance warranties of 3 to 5 years are given to customers.
Other services	Revenue is recognised at a point in time when the services are rendered.	Credit period ranges from 30 to 90 days (2024: 30 to 90 days) from invoice date.	Not applicable.	Not applicable.
Dividend income	Revenue is recognised on the date that when the right to receive payment is established.	Not applicable.	Not applicable.	Not applicable.

20. FINANCE INCOME

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Interest income from money market unit trust investments	3,928	3,399	406	1,120
Interest income on financial assets at amortised costs, calculated using effective interest method	176	782	114	68
	4,104	4,181	520	1,188

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

21. PROFIT BEFORE TAXATION

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Auditors' remuneration				
Audit fees:				
- auditors of the Company	182	173	58	58
- other auditors	34	35	-	-
Non-audit fees:				
- auditors of the Company	7	7	7	7
- member firm of the auditors of the Company	-	28	-	4
Material expenses/(income)				
Compensation income	-	(1,818)	-	-
Depreciation of:				
- property, plant and equipment	5,046	4,669	10	6
- right-of-use assets	749	797	-	-
Dividend income from a subsidiary	-	-	(58,400)	(27,200)
(Gain)/Loss on foreign exchange:				
- realised	(12)	(144)	-	-
- unrealised	(38)	83	-	-
Impairment (gain)/loss on plant and machineries	(1,484)	1,000	-	-
Inventories:				
- written down	918	-	-	-
- written off	26	1,767	-	-
- written back	(146)	(750)	-	-
Rental income	(401)	(439)	-	-
Staff costs:				
- defined contribution benefits	2,068	2,076	-	-
- wages, salaries, bonuses and others	33,506	41,049	306	276
Expenses arising from leases				
Expenses relating to short-term leases	230	272	-	-
Net Impairment (gains)/losses on financial instruments				
Financial assets at amortised costs	(26)	206	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

22. INCOME TAX EXPENSE

Recognised in Profit or Loss

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Current financial year	17,074	18,818	30	25
Under/(Over)provision in the previous financial years	34	(791)	*	(5)
	17,108	18,027	30	20
Deferred tax income/(expense) (Note 14)				
Origination/(Reversal) of temporary differences	1,373	(1,022)	-	-
Underprovision in the previous financial years	20	125	-	-
	1,393	(897)	-	-
Income tax expense	18,501	17,130	30	20
Reconciliation of income tax expense				
Profit before taxation	75,597	72,151	57,925	27,525
Income tax calculated using Malaysian tax rate of 24% (2024: 24%)	18,143	17,316	13,902	6,606
Non-deductible expenses	1,074	718	235	160
Utilisation of reinvestment allowances	-	(160)	-	-
Non-taxable income	(889)	(327)	(14,107)	(6,741)
Deferred tax assets not recognised during the financial year	72	254	-	-
Differential in tax rates of foreign jurisdiction	47	(5)	-	-
Under/(Over)provision of tax expense in the previous financial years:				
- current tax	34	(791)	*	(5)
- deferred tax	20	125	-	-
	18,501	17,130	30	20

* Amount less than RM1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

23. EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per ordinary share at the end of the reporting period was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:-

	Group	
	2025	**2024**
	RM'000	RM'000
Profit attributable to owners of the Company		
Continuing operations	57,121	54,994

Weighted average number of ordinary shares outstanding

	Group	
	2025	**2024**
	RM'000	RM'000
Issued ordinary shares at 1 July	752,000	752,000
Effect of weighted average treasury shares	(19,709)	(217)
Weighted average number of shares (basic) at 30 June	732,291	751,783

	Group	
Basic earnings per ordinary share	**2025**	**2024**
	Sen	Sen
From continuing operations	7.80	7.32

Diluted earnings per ordinary share

The Group has no dilution in its earnings per ordinary shares at 30 June 2025 and 30 June 2024, accordingly no diluted earnings per share has been presented.

24. DIVIDENDS

Dividends recognised by the Company are as follows:-

	RM per share	**Total amount** RM'000	**Date of payment**
2025			
In respect of the financial year ended 30 June 2024			
Fourth interim single-tier dividend	0.0150	11,126	20 September 2024
Special interim single-tier dividend	0.0150	10,948	13 December 2024
In respect of the financial year ended 30 June 2025			
First interim single-tier dividend	0.0150	10,948	20 December 2024
Second interim single-tier dividend	0.0150	10,948	21 March 2025
Third interim single-tier dividend	0.0100	7,298	20 June 2025
		51,268	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

24. DIVIDENDS (CONT'D)

Dividends recognised by the Company are as follows (Cont'd):-

	RM per share	Total amount RM'000	Date of payment
2024			
In respect of the financial year ended 30 June 2023			
Third interim single-tier dividend	0.0100	7,518	29 September 2023
In respect of the financial year ended 30 June 2024			
First interim single-tier dividend	0.0100	7,518	8 December 2023
Second interim single-tier dividend	0.0100	7,518	27 March 2024
Third interim single-tier dividend	0.0150	11,277	25 July 2024
		33,831	

On 25 August 2025, the Company declared the following single-tier interim dividend in respect of the current financial year:-

	RM per share	Total amount RM'000	Date of payment
2026			
In respect of the financial year ended 30 June 2025			
Fourth interim single-tier dividend	0.0100	7,273	26 September 2025

The above dividend will be recognised in the financial year ending 30 June 2026.

The directors do not recommend any final dividend to be paid for the financial year ended 30 June 2025.

25. OPERATING SEGMENT

The Group's resources allocation is assessed on a quarterly basis in accordance to the business performance and requirements of the respective business segments as reviewed and determined by the Group's Chief Operating Decision Maker ("CODM") whom is also the Managing Director of the Group. Hence, segment information is presented by business segment that the Group operates in. The format of the business segment is based on the Group's operation management and internal reporting structure.

Non-automotive segments related to the Group's healthcare, aviation and furniture industry and the Company's investment holding activities. These segments do not meet the quantitative threshold as reportable reporting segments in 2025 and 2024.

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment asset and liability.

Segment capital expenditure is the total costs incurred during the financial year to acquire property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

25. OPERATING SEGMENT (CONT'D)

Business Segment

The Group comprises the following business segment:-

Automotive industry: Styling, manufacturing, distribution and installation of automotive leather upholstery for car seat covers and accessories covers.

	Automotive	
	2025	**2024**
	RM'000	RM'000
Revenue from car seat covers:-		
Original Equipment Manufacturer	185,068	195,373
Replacement Equipment Manufacturer	7,855	7,860
Pre-Delivery Inspection Services	9,403	16,637
	202,326	219,870
Others	19,583	20,655
	221,909	240,525
Segment profit before taxation	77,072	76,079
Included in the measurement of segment profit before taxation are:-		
Depreciation and amortisation	3,994	4,822
Net impairment (gains)/losses on trade receivables	(26)	206
Not included in the measurement of segment profit before taxation but provided to Managing Director:-		
Income tax expense	(18,448)	(17,105)

Geographical Segments

The Group operates primarily in Malaysia. In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers.

	Automotive	
	2025	**2024**
	RM'000	RM'000
Malaysia	207,975	226,582
Asia Pacific	8,037	8,286
Europe	3,677	3,554
North America	1,806	1,679
Oceania	414	424
	221,909	240,525

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

25. OPERATING SEGMENT (CONT'D)

Major Customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:-

	Automotive 2025 RM'000	Automotive 2024 RM'000
Customer A	128,453	135,986
Customer B	53,331	51,988
	181,784	187,974

Reconciliations of Reportable Segment Revenues and Profit or Loss

	Group 2025 RM'000	Group 2024 RM'000
Revenue		
Total revenue from automotive segment	221,909	240,525
Other non-automotive segments	2,591	2,020
Consolidated revenue	224,500	242,545
Profit or loss		
Total profit or loss from automotive segment	77,072	76,079
Other non-automotive segments	(1,475)	(3,928)
Consolidated profit before taxation	75,597	72,151

26. FINANCIAL INSTRUMENTS

26.1 Categories of Financial Instruments

	Group 2025	Group 2024	Company 2025	Company 2024
Financial Assets	RM'000	RM'000	RM'000	RM'000
Fair Value through Profit or Loss				
Other investments (Note 6)	418	418	-	-
Liquid investments (Note 12)	89,366	145,406	4,404	32,234
	89,784	145,824	4,404	32,234
Amortised Cost				
Trade and other receivables (exclude deposits) (Note 9)	37,071	42,213	2,941	13,850
Cash and bank balances (Note 12)	15,544	8,276	3,464	267
	52,615	50,489	6,405	14,117

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

26. FINANCIAL INSTRUMENTS (CONT'D)

26.1 Categories of Financial Instruments (Cont'd)

	Group		Company	
	2025	2024	2025	2024
Financial Liability	RM'000	RM'000	RM'000	RM'000
Amortised Cost				
Trade and other payables	(20,144)	(22,282)	(179)	(169)
Borrowings (Note 16)	(5,382)	(6,888)	-	-
Dividend payable	-	(11,277)	-	(11,277)
	(25,526)	(40,447)	(179)	(11,446)

26.2 Net Gains and Losses Arising from Financial Instruments

	Group		Company	
	2025	2024	2025	2024
Financial Assets	RM'000	RM'000	RM'000	RM'000
Fair Value through Profit or Loss				
Net gains recognised in profit or loss:				
- mandatorily required by MFRS 9 (Note 20)	3,928	3,399	406	1,120
Amortised Cost				
Net gains recognised in profit or loss	45	633	114	68
	3,973	4,032	520	1,188
Financial Liability				
Amortised Cost				
Net losses recognised in profit or loss	(73)	(313)	-	-

26.3 Financial Risk Management Policies

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

26.4 Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Credit Risk (Cont'd)

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to one of the subsidiaries. The Company monitors the results of the subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to amount owing by 2 customers (2024: 3) which constituted approximately 74% (2024: 76%) of its trade receivables (including a related party) at the end of the reporting period.

In addition, the Group also determines the concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables (including related parties and contract assets) at the end of the reporting period is as follows:-

	2025	**2024**
Group	RM'000	RM'000
Malaysia	34,925	39,677
Asia Pacific	1,089	890
Europe	724	835
North America	898	964
Oceania	53	75
	37,689	42,441

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to a subsidiary amounting to approximately RM4,410,000 (2024: RM6,239,000), representing the outstanding banking facilities of the subsidiary as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

(iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an ongoing basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:
- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; and
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full when the receivable is not able to pay when demanded.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure expected credit losses on a collective basis, trade receivables (including related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information that will affect the ability of the trade receivables to settle their debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses

The reconciliations of allowance for impairment losses are as follows:-

Group	Non-credit Impaired RM'000	Credit Impaired RM'000	Total RM'000
Trade Receivables			
At 1 July 2023	82	956	1,038
Addition during the financial year (Note 21)	195	11	206
At 30 June 2024/1 July 2024	277	967	1,244
Addition during the financial year	77	-	77
Reversal of impairment losses	-	(103)	(103)
Net impairment losses/(gains) (Note 21)	77	(103)	(26)
Written off as bad debt	-	(11)	(11)
At 30 June 2025	354	853	1,207

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

Group	Gross Amount RM'000	Lifetime Individual Impairment RM'000	Lifetime Collective Impairment RM'000	Carrying Amount RM'000
2025				
Current (not past due)	34,038	-	(5)	34,033
1 - 30 days past due	1,479	-	(5)	1,474
31 - 60 days past due	533	-	(1)	532
61 - 90 days past due	280	-	(5)	275
More than 90 days past due	506	-	(338)	168
	36,836	-	(354)	36,482
Credit impaired				
Individually impaired	853	(853)	-	-
Trade receivables	37,689	(853)	(354)	36,482

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows (Cont'd):-

Group	Gross Amount RM'000	Lifetime Individual Impairment RM'000	Lifetime Collective Impairment RM'000	Carrying Amount RM'000
2024				
Current (not past due)	34,585	-	(2)	34,583
1 - 30 days past due	1,751	-	(1)	1,750
31 - 60 days past due	569	-	(2)	567
61 - 90 days past due	46	-	(11)	35
More than 90 days past due	4,516	-	(261)	4,255
	41,467	-	(277)	41,190
Credit impaired				
Individually impaired	967	(967)	-	-
Trade receivables	42,434	(967)	(277)	41,190
Contract assets	7	-	-	7
	42,441	(967)	(277)	41,197

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Note 9 and Note 10 to the financial statements.

Cash and Bank Balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Other Receivables and Amount Due from Related Parties

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by related parties.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables and Amount Due from Related Parties (Cont'd)

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

No expected credit loss is recognised on other receivables as it is negligible.

Amount Due from Subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

	Company	
	2025	**2024**
	RM'000	RM'000
At 1 July/30 June	200	200

The allowance for impairment losses (determined on an individual basis) relates to credit impaired subsidiaries who are in significant financial difficulties and have defaulted on payments.

There has not been any significant change in the gross amounts of amount owing by subsidiaries that impacted the allowance for impairment losses.

The movements in the loss allowances are disclosed in Note 9 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

26.5 Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payment computed based on the rate at the end of the reporting period):-

Group	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	More Than 5 years RM'000
2025						
Non-derivative financial liabilities						
Lease liabilities	3.31 - 4.50	428	570	460	110	-
Hire purchase payables	0.88 - 2.40	972	1,007	706	301	-
Term loan	5.05	4,410	5,002	786	3,573	643
Trade and other payables	-	20,144	20,144	20,144	-	-
		25,954	26,723	22,096	3,984	643

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

26. FINANCIAL INSTRUMENTS (CONT'D)

26.5 Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payment computed based on the rate at the end of the reporting period) (Cont'd):-

Group	**Contractual Interest Rate** %	**Carrying Amount** RM'000	**Contractual Undiscounted Cash Flows** RM'000	**Within 1 Year** RM'000	**1 - 5 Years** RM'000	**More Than 5 years** RM'000
2024						
Non-derivative financial liabilities						
Lease liabilities	2.35 - 3.50	455	459	421	38	-
Hire purchase payables	2.35 - 2.65	649	673	433	240	-
Term loan	3.66	5,040	5,812	810	3,692	1,310
Trade financing	3.10 - 3.72	1,199	1,199	1,199	-	-
Trade and other payables	-	22,282	22,282	22,282	-	-
Dividend payable	-	11,277	11,277	11,277	-	-
		40,902	41,702	36,422	3,970	1,310

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

26. FINANCIAL INSTRUMENTS (CONT'D)

26.5 Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payment computed based on the rate at the end of the reporting period) (Cont'd):-

Company	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000
2025					
Non-derivative financial liabilities					
Other payables	-	179	179	179	-
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary:					
- term loan	5.05	4,410	5,002	786	4,216
		4,589	5,181	965	4,216
2024					
Non-derivative financial liabilities					
Other payables	-	169	169	169	-
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary:					
- term loan	3.66	5,040	5,812	810	5,002
- trade financing	3.10 - 3.72	1,199	1,199	1,199	-
Dividend payable	-	11,277	11,277	11,277	-
		17,685	18,457	13,455	5,002

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

26. FINANCIAL INSTRUMENTS (CONT'D)

26.6 Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD") and Euro ("EUR"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

	Denominated in			
	USD	**SGD**	**EUR**	**Total**
Group	RM'000	RM'000	RM'000	RM'000
2025				
Balances recognised in the statements of financial position				
Trade receivables	905	267	727	1,899
Cash and cash equivalents	579	1,294	966	2,839
Trade payables	(6,950)	-	-	(6,950)
Net financial (liabilities)/assets	(5,466)	1,561	1,693	(2,212)
Less: Forward foreign currency contracts (contracted notional principal)	5,466	-	-	5,466
Net exposure	-	1,561	1,693	3,254
2024				
Balances recognised in the statements of financial position				
Trade receivables	964	175	649	1,788
Cash and cash equivalents	553	755	142	1,450
Trade payables	(4,966)	-	(2)	(4,968)
Net financial (liabilities)/assets	(3,449)	930	789	(1,730)
Less: Forward foreign currency contracts (contracted notional principal)	3,449	-	-	3,449
Net exposure	-	930	789	1,719

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

26. FINANCIAL INSTRUMENTS (CONT'D)

26.6 Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group does not have a material impact on the profit after taxation and equity of the Group and of the Company and hence, no sensitivity analysis is presented.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate receivables and borrowing are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither their carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 26.5 to the financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonable possible change in the interest rates on the Group's borrowings of the floating rate term loan at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

Any reasonably possible change in the prices of quoted investments at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and of the Company and hence, no sensitivity analysis is presented.

26.7 Fair Value Information

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

26. FINANCIAL INSTRUMENTS (CONT'D)

26.7 Fair Value Information (Cont'd)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair value of financial instruments carried at fair value		Fair value of financial instruments not carried at fair value			
	Level 1	**Level 2**	**Level 1**	**Level 2**	**Total fair value**	**Carrying amount**
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2025						
Financial assets						
Liquid investments	89,366	-	-	-	89,366	89,366
Club memberships	-	418	-	-	418	418
	89,366	418	-	-	89,784	89,784
Financial liabilities						
Term loan						
- floating rate	-	-	-	4,410	4,410	4,410
Hire purchase payables	-	-	-	975	975	972
	-	-	-	5,385	5,385	5,382
2024						
Financial assets						
Liquid investments	145,406	-	-	-	145,406	145,406
Club memberships	-	418	-	-	418	418
	145,406	418	-	-	145,824	145,824
Financial liabilities						
Term loan						
- floating rate	-	-	-	5,040	5,040	5,040
Hire purchase payables	-	-	-	645	645	649
	-	-	-	5,685	5,685	5,689
Company						
2025						
Financial assets						
Liquid investments	4,404	-	-	-	4,404	4,404
2024						
Financial assets						
Liquid investments	32,234	-	-	-	32,234	32,234

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

26. FINANCIAL INSTRUMENTS (CONT'D)

26.7 Fair Value Information (Cont'd)

(a) Fair Value of Financial Instruments Carried at Fair Value

The fair values above have been determined using the following basis:-

(i) The fair value of liquid investments are their last quoted bid price by the fund managers at the end of the reporting period.

(ii) The fair value of club membership is estimated by the market value as per the published price in the current club prospectus and publicly available information.

There were no transfers between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values above have been determined using the following basis:-

(i) The fair value of the term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

(ii) The fair value of hire purchase payables and trade financing that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The annual interest rates used to discount the estimated cash flows are as follows:-

	Group	
	2025	**2024**
	%	%
Hire purchase payables	5.13 - 6.42	5.13 - 5.29

27. CAPITAL RISK MANAGEMENT

The Group and the Company manage their capital to ensure that entities within the Group and the Company will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company monitor and maintain a prudent level of total debt to total equity ratio to optimise shareholder(s) value and to ensure compliance with debt covenants and regulatory, if any.

There was no changes in the approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

28. CAPITAL AND OTHER COMMITMENTS

Capital expenditures not provided for in the financial statements are as follows:

	Group	
	2025	2024
	RM'000	RM'000
Capital expenditure commitments		
Purchase of property, plant and equipment:		
- contracted but not provided for	39,102	28,407

29. RELATED PARTY DISCLOSURES

(a) Holding Company and Subsidiaries

The holding company is MRZ Leather Holdings Sdn. Bhd., a company incorporated in Malaysia.

The subsidiaries are disclosed in Note 5 to the financial statements.

(b) Significant Related Party Transactions and Balances

In addition to the related party transactions information disclosed in the Note 9 to the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
(i) Subsidiaries				
Dividends distributed by a subsidiary	-	-	58,400	27,200
Interest charged to a subsidiary	-	-	87	51
(ii) Companies substantially owned by certain directors				
Sales to related parties	194	2,451	-	-
Rental of premises charged to related parties	399	439	-	-
Management fees charged to related parties	90	85	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

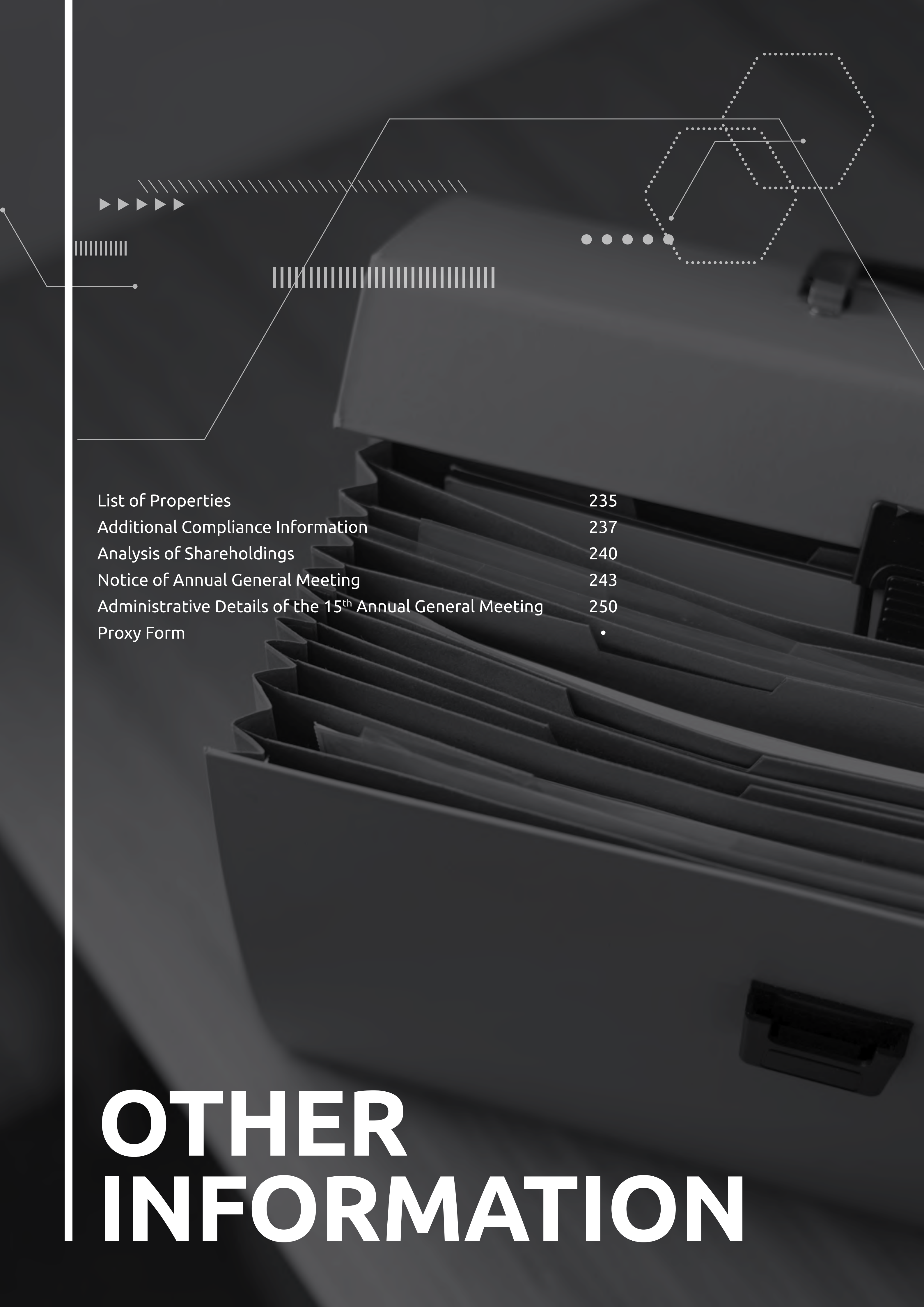
30. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	RM'000	RM'000	RM'000
(i) Directors				
Directors of the Company				
Short-term employee benefits:				
- fees	336	312	276	252
- salaries, bonuses and other benefits	2,273	2,661	30	24
	2,609	2,973	306	276
Defined contribution benefits	196	191	-	-
Total remuneration of the directors of the Company	2,805	3,164	306	276
Directors of the Subsidiaries				
Short-term employee benefits:				
- fees	60	60	-	-
- salaries, bonuses and other benefits	346	333	-	-
Defined contribution benefits	42	39	-	-
Total remuneration of the directors of the subsidiaries	448	432	-	-
Total directors' remuneration	3,253	3,596	306	276
(ii) Other Key Management Personnel				
Short-term employee benefits	2,783	3,166	-	-
Defined contribution benefits	333	370	-	-
Total compensation for other key management personnel	3,116	3,536	-	-
Total key management personnel compensation	6,369	7,132	306	276

Other key management personnel comprise persons other than the directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.



OTHER INFORMATION

List of Properties

	Location	Tenure	Year Lease Expiring	Approximate Area (sq ft)	Description/ Existing Use	Age/Year of Acquisition/ Certificate of Completion	Net Book Value as at 30.06.2025 (RM)	Market Value/ Last Revaluation Date (RM)
1.	No.1, Jalan Perindustrian Desa Aman 1A, Industri Desa Aman, Kepong, 52200 Kuala Lumpur. H.S. (M) 24691, Lot PT No. 2034, Locality of Desa Aman, Bandar Sungai Buloh, District of Gombak, State of Selangor Darul Ehsan.	Leasehold 99 years	4 August 2107	72,506 sq ft (land area) (i) 22,169 sq ft (Built-up area for 4-storey office building with a mezzanine floor) (ii) 109,673 sq ft (Built-up area for 5-storey flatted factory building) (iii) 48,262 sq ft (Built-up area for 6-storey hostel building) (iv) 103 sq ft (Built-up area for guard house) & 1,163 sq ft (Built-up area for carpark shed)	1 unit of 4-storey office building with a mezzanine floor annexed to a 5-storey flatted factory building and a 6-storey hostel building together with a guardhouse/ carpark shed Head office and production factory of our Group	14 years/ 5 January 2011 (for 4-storey office and 5-storey factory) 21 June 2011 (for 6-storey hostel)	37,471,915	38,800,000/ 30.06.2023

List of Properties

	Location	Tenure	Year Lease Expiring	Approximate Area (sq ft)	Description/ Existing Use	Age/Year of Acquisition/ Certificate of Completion	Net Book Value as at 30.06.2025 (RM)	Market Value/ Last Revaluation Date (RM)
2.	B-5-1, 5th Floor, Block B, Damansara Sutera Apartment, Persiaran KIP Utama, Kipark Damansara, 52200 Kuala Lumpur. Strata Title No. Geran 58055/ M2/6/178, Parcel No. 178, Storey No.6, Building No. M2, Parent Lot No. 2854, Town of Kepong, District of Gombak, State of Selangor Darul Ehsan.	Freehold	-	850 sq ft (Built-up area)	1 unit of 3-bedroom apartment/ Staff accommodation	14 years/ 2 December 2010	336,000	350,000/ 30.06.2023
3.	Part of No. Hakmilik H.S. (D) 64630, PT 18112 Seksyen 20, Bandar Serendah, Daerah Ulu Selangor, Selangor Darul Ehsan.	Leasehold 99 years	6 July 2122	187,744 sq ft (land area)	Industrial land	3 years/ 12 January 2022	9,525,342	9,400,000/ 30.06.2023
4.	No. Hakmilik H.S. (D) 64635, PT 18117 Seksyen 20, Bandar Serendah, Daerah Ulu Selangor, Selangor Darul Ehsan.	Leasehold 87 years	7 July 2109	272,860 sq ft (land area)	Industrial land	< than 1 year/ 12 March 2025	18,236,207	18,000,000/ 05.03.2025

Additional Compliance Information

1. Utilisation of Proceeds raised from Corporate Proposal

Pecca Group Berhad ("Pecca" or the "Company") was listed on the Main Market of Bursa Malaysia on 19 April 2016. In conjunction with the listing, the Company undertook a public issue of 47,796,000 new ordinary shares of RM0.50 each at an issue price of RM1.42 per share, raising gross proceeds of RM67.87 million.

As announced on 23 April 2018, the Board of Directors ("Board") has approved the variation of the utilisation of Initial Public Offering ("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 utilisation of proceeds for working capital and extend the frame to another 24 months from 19 April 2020 to 19 April 2022. In view of the CoronaVirus Disease of 2019 pandemic and Movement Control Order enforced by the Government in March 2020 until the endemic which was 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 Replacement Equipment Manufacturer ("REM") segment is expanding to more export markets such as the United States of America, 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 the financial year ended 30 June 2025 ("FY2025") 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	-	-	-	-
(f) Establishment of market presence in Thailand	Within 24 months	-	-	-
(g) Expansion of aviation business	Within 24 months	834	(834)	100
(h) Estimated listing expenses	-	4,111	(4,111)	100
(i) Purchase of raw material	-	5,350	(5,350)	100
(j) Selling and distribution expenses of:				
- Retail	Within 24 months	2,000	(439)	22
- Thailand	Within 24 months	-	-	-
- Aviation	Within 24 months	745	(745)	100
Total Public Issue Proceeds		**67,870**	**(66,309)**	**98**

2. Material Contracts

There were no material contracts subsisting or entered into by the Company or its subsidiaries involving the interests of any directors, chief executive, or major shareholders of the Company or any persons connected to a director, chief executive or major shareholder of the Company during FY2025.

Additional Compliance Information

3. **Recurring Related Party Transactions ("RRPT")**

The below transactions entered into were in the ordinary course of business and are on terms and conditions not more favourable to the related party than those generally available to the public. The details of the RRPT for FY2025 are as follows:

Related Parties	Interested Directors/ Substantial Shareholders	Interest in Our Group	Nature of Transaction	Actual Value (RM)
Tint Auto (M) Sdn. Bhd.	Datuk Teoh Hwa Cheng	Director and substantial shareholder of Pecca	Rental of partial production area located at 3rd Floor, No. 1, Jalan Perindustrian Desa Aman 1A, Industri Desa Aman, Kepong, 52200 Kuala Lumpur from Pecca Leather Sdn. Bhd. to Tint Auto (M) Sdn. Bhd.	216,000
	Datin Sam Yin Thing	Director and substantial shareholder of Pecca	Management service	60,000
	Teoh Zi Yi	Director of Pecca Son of Datuk Teoh Hwa Cheng and Datin Sam Yin Thing		
	Teoh Zi Yuen	Director of Pecca Daughter of Datuk Teoh Hwa Cheng and Datin Sam Yin Thing		
Rentas Health Sdn. Bhd.	Teoh Zi Yuen	Director of Pecca Daughter of Datuk Teoh Hwa Cheng and Datin Sam Yin Thing	Rental of partial production area located at Penthouse, No. 1, Jalan Perindustrian Desa Aman 1A, Industri Desa Aman, Kepong, 52200 Kuala Lumpur from Pecca Leather Sdn. Bhd. to Rentas Health Sdn. Bhd.	66,912
			Rental of partial warehouse area located at No. 7, Jalan KIP 11, Taman Perindustrian KIP, 52200 Sri Damansara, Kuala Lumpur from Pecca Leather Sdn. Bhd. to Rentas Health Sdn. Bhd.	116,015
			Supply of Personal Protective Equipment products	173,724
			Management services	24,000

Additional Compliance Information

Related Parties	Interested Directors/ Substantial Shareholders	Interest in Our Group	Nature of Transaction	Actual Value (RM)
Pecman Sdn. Bhd.	Datuk Teoh Hwa Cheng	Director and substantial shareholder of Pecca	Supply of car seat cover and car accessories	19,628
	Teoh Zi Yi	Director of Pecca Son of Datuk Teoh Hwa Cheng and Datin Sam Yin Thing	Management services	6,000
	Teoh Zi Yuen	Director of Pecca Daughter of Datuk Teoh Hwa Cheng and Datin Sam Yin Thing		

The Company intends to seek the approval of its shareholders for the proposed shareholders' mandate to enter into RRPT at the forthcoming 15th AGM of the Company. A circular to the shareholders containing the details of the proposal is made available on the Company's website.

4. Allocation of Share Scheme for Employees

The Employees' Share Option Scheme ("ESOS") was approved by shareholders during the Extraordinary General Meeting held on 28 June 2019. The ESOS committee was established on 23 August 2019.

5. Audit and Non-Audit Fees

	Company (RM)	Group (RM)
Audit fee paid or payable to the external auditors, Messrs. Crowe Malaysia PLT ("Crowe Malaysia")	58,000	182,000
Non-audit fee paid or payable to Crowe Malaysia, or local affiliates to Crowe Malaysia (Note 1)	7,000	7,000

Note 1 The amount disclosed included non-audit fee incurred for reviewing the Statement on Risk Management and Internal Control and other information included in the Integrated Annual Report FY2025.

Analysis of Shareholdings

Analysis of Shareholdings as at 30 September 2025

Issued Shares	:	752,000,000 (including shares held as treasury shares)
Treasury Shares	:	27,545,068
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

Distribution of Shareholdings

Size of holdings	No. of holders	%*	No. of shares	%*
1 – 99	561	22.04	26,970	0.00
100 – 1,000	560	22.00	242,159	0.04
1,001 – 10,000	780	30.65	3,713,519	0.51
10,001 – 100,000	443	17.41	14,865,046	2.05
100,001 to less than 5% of issued shares	199	7.82	332,531,706	45.90
5% and above of issued shares	2	0.08	373,075,532	51.50
Total	**2,545**	**100.00**	**724,454,932**	**100.00**

* *Excluding a total of 27,545,068 shares bought back by the Company and retained as treasury shares as per Record of Depositors as at 30 September 2025.*

Substantial Shareholders
(as per Register of Substantial Shareholders as at 30 September 2025)

	No. of shares held			
Name	**Direct**	**%(2)**	**Indirect**	**%(2)**
MRZ Leather Holdings Sdn Bhd	373,075,532	51.50	-	-
Datuk Teoh Hwa Cheng	24,367,296	3.36	(1) 373,075,532	51.50
Datin Sam Yin Thing	54,140,976	7.47	(1) 373,075,532	51.50

Notes:
(1) Deemed interested in shares held by MRZ Leather Holdings Sdn Bhd pursuant to Sections 8 of the Companies Act 2016.
(2) Excluding a total of 27,545,068 shares bought back by the Company and retained as treasury shares as at 30 September 2025.

Analysis of Shareholdings

Directors' Shareholdings
(as per Register of Directors' Shareholdings as at 30 September 2025)

	No. of shares held			
Name	**Direct**	**%[2]**	**Indirect**	**%[2]**
Dato' Mohamed Suffian Bin Awang	435,364	0.06	-	-
Datuk Teoh Hwa Cheng	24,367,296	3.36	[1] 373,075,532	51.50
Datin Sam Yin Thing	54,140,976	7.47	[1] 373,075,532	51.50
Teoh Zi Yi	1,293,032	0.18	-	-
Teoh Zi Yuen	-	-	-	-
Datuk Leong Kam Weng	435,364	0.06	-	-
Dato' Dr. Norhizan Bin Ismail	-	-	-	-
Dato' Seri Dr. Chen Chaw Min	1,700,048	0.23	-	-

Notes:
(1) Deemed interested in shares held by MRZ Leather Holdings Sdn Bhd pursuant to Sections 8 of the Companies Act 2016.
(2) Excluding a total of 27,545,068 shares bought back by the Company and retained as treasury shares as at 30 September 2025.

List of Thirty Largest Shareholders as at 30 September 2025

No.	Name	No. of shares	Percentage holding (%)*
1.	MRZ LEATHER HOLDINGS SDN. BHD.	198,929,192	27.46
2.	MRZ LEATHER HOLDINGS SDN. BHD.	174,146,340	24.04
3.	TEOH HWA CHENG	21,367,296	2.95
4.	MAYBANK INVESTMENT BANK BERHAD IVT (10) ECD D1-H	20,550,000	2.84
5.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SAM YIN THING (MY4369)	19,192,000	2.65
6.	RHB INVESTMENT BANK BERHAD IVT (SHQ-TRES BOOK) EQD TEAM	16,460,000	2.27
7.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	15,885,100	2.19
8.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SAM YIN THING (MY4178)	15,253,644	2.11
9.	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD	13,602,000	1.88
10.	LEE YEE SUM	11,077,584	1.53
11.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAM YIN THING (7005713)	9,000,000	1.24
12.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	9,000,000	1.24
13.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAM YIN THING	8,679,700	1.20

Analysis of Shareholdings

List of Thirty Largest Shareholders as at 30 September 2025 (Cont'd)

No.	Name	No. of shares	Percentage holding (%)*
14.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE EU JIN	8,579,000	1.18
15.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHENG LING (7002620)	8,140,000	1.12
16.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	7,003,000	0.97
17.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM BOON HUA (7013268)	5,518,000	0.76
18.	AMANAHRAYA TRUSTEES BERHAD PMB SHARIAH GROWTH FUND	5,200,000	0.72
19.	CARTABAN NOMINEES (TEMPATAN) SDN BHD CN CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH FUND SERIES 2	4,940,100	0.68
20.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG NYOK YOONG	4,816,096	0.67
21.	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	4,625,502	0.64
22.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIM PIAU (7007611)	3,864,044	0.53
23.	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD (SBL/PB)	3,562,800	0.49
24.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KIM PIAU (MY2525)	3,402,900	0.47
25.	TAN SOON KAR	3,076,648	0.43
26.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JASON KOH JIAN HUI (7000184)	3,010,000	0.42
27.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM BOON HUA	3,000,000	0.41
28.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEOH HWA CHENG	3,000,000	0.41
29.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM BOON HUA (M04)	2,976,000	0.41
30.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR JASON KOH JIAN HUI	2,800,000	0.39
Total		**610,656,946**	**84.30**

* *Excluding a total of 27,545,068 shares bought back by the Company and retained as treasury shares as per Record of Depositors as at 30 September 2025.*

Notice of Annual General Meeting

PECCA GROUP BERHAD

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting ("15th AGM") of Pecca Group Berhad ("PECCA" or the "Company") will be held at Ballroom I, Main Wing, Level 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 20 November 2025 at 10.00 a.m. for the following purposes:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2025 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note 1 of the Explanatory Notes)**

2. To approve the payment of Directors' fees and benefits payable to the Directors of the Company and its subsidiaries of up to RM583,500.00 from 21 November 2025 until the conclusion of the next AGM of the Company. **Ordinary Resolution 1**

3. To re-elect Datuk Teoh Hwa Cheng who is to retire pursuant to Clause 97 of the Company's Constitution and being eligible, has offered himself for re-election. **Ordinary Resolution 2**

4. To re-elect Datin Sam Yin Thing who is to retire pursuant to Clause 97 of the Company's Constitution and being eligible, has offered herself for re-election. **Ordinary Resolution 3**

5. To re-elect Dato' Seri Dr. Chen Chaw Min who is to retire pursuant to Clause 105 of the Company's Constitution and being eligible, has offered himself for re-election. **Ordinary Resolution 4**

6. To re-appoint Messrs. Crowe Malaysia PLT as auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

As Special Business

To consider and, if thought fit, to pass the following resolutions:-

7. **Continuing in Office as an Independent Non-Executive Director – Dato' Mohamed Suffian Bin Awang**

   "**THAT** the authority be and is hereby given to Dato' Mohamed Suffian Bin Awang, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company." **Ordinary Resolution 6**

Notice of Annual General Meeting

8. **Continuing in Office as an Independent Non-Executive Director – Datuk Leong Kam Weng**

   "**THAT** the authority be and is hereby given to Datuk Leong Kam Weng, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company." **Ordinary Resolution 7**

9. **Authority under Section 75 and 76 of the Companies Act 2016 ("the Act") for the Directors to allot and issue shares**

   "**THAT** pursuant to Section 75 and 76 of the Act, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at the time of issue, subject to the Constitution of the Company and approval of all the relevant regulatory bodies being obtained for such allotment and issue.

   THAT pursuant to Section 85 of the Act, read together with Clause 58 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued Pecca shares arising from issuance of new shares pursuant to this mandate.

   AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares." **Ordinary Resolution 8**

10. **Proposed Renewal of Authority to the Company to Purchase its own Ordinary Shares**

    "**THAT** subject to the Act, the Constitution of the Company, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to utilise an amount not exceeding the audited retained profits as at 30 June 2025 to purchase such amount of ordinary shares in the Company ("Proposed Renewal of Share Buy-Back Authority") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company.

    THAT an amount not exceeding the Company's retained profits be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority.

    THAT authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either retain the shares so purchased as treasury shares (as defined in Section 127 of the Act) and/or to cancel the shares so purchased and if retained as treasury shares, may resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them.

Notice of Annual General Meeting

THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution and will expire at:-

i. the conclusion of the next AGM of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;

ii. the expiration of the period within which the next AGM of the Company is required by law to be held; or

iii. revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

AND THAT the Directors of the Company be authorised to take all steps necessary to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Share Buy-Back Authority as may be agreed or allowed by any relevant governmental and/or regulatory authority." **Ordinary Resolution 9**

11. **Proposed Renewal of Existing and New Shareholders' Mandates for Recurrent Related Party Transactions of A Revenue or Trading Nature ("Proposed Shareholders' Mandates")**

"**THAT** approval be and is hereby given to the Company, to enter and give effect to the recurrent related party transactions of a revenue or trading nature (hereinafter to be referred to as "Recurrent Transactions") with the related party as stated in Section 2.3 of the Circular to Shareholders dated 22 October 2025 which are necessary for the Company's day-to-day operations subject further to the following:

i. the Recurrent Transactions contemplated are in the ordinary course of business and on terms which are not more favourable to related party than those generally available to the public, and are not to the detriment of the minority shareholders;

ii. the approval is subject to annual renewal and shall only continue to be in force until: -

a. the conclusion of the next AGM of the Company following the forthcoming AGM of the Company at which the Proposed Shareholders' Mandates is approved, at which time it will lapse unless by a resolution passed at the AGM the mandate is again renewed;

b. the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or

c. revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier; and

Notice of Annual General Meeting

iii. the disclosure of the breakdown of the aggregate value of the Recurrent Transactions conducted pursuant to the Proposed Shareholders' Mandates in the Integrated Annual Report ("IAR") of the Company based on the following information:

a. the type of Recurrent Transactions entered into; and

b. the name of the related party involved in each type of the Recurrent Transactions entered into and its relationship with the Company.

AND THAT the Directors of the Company be and are hereby authorised to do all acts and things to give full effect to the Recurrent Transactions contemplated and/or authorised by this resolution, as the Directors of the Company, in their absolute discretion, deem fit." **Ordinary Resolution 10**

12. To transact any other business for which due notice shall have been given in accordance with the Act.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
(SSM Practising Certificate No.: 202008001023)

TAI YUEN LING (LS 0008513)
(SSM Practising Certificate No.: 202008001075)

Company Secretaries

Selangor Darul Ehsan

Date: 22 October 2025

NOTES:-

1) A member of the Company entitled to attend and vote at this Meeting is entitled to appoint a proxy or attorney or other duly authorised representative to attend and vote in his stead. A proxy may, but need not be a member of the Company. A member may appoint any person to be his proxy. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.

2) A member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA") may appoint at least one (1) proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

3) For a member of the Company who is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

Notice of Annual General Meeting

4) Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

5) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote.

   a. In hard copy form
   In the case of an appointment made in hard copy form, the original proxy form must be deposited with the Share Registrar's office, Boardroom Share Registrars Sdn. Bhd. ("Boardroom") of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

   b. By electronic means
   The proxy form can be electronically lodged with Boardroom via Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Please follow the procedures set out in the Administrative Details for such lodgement. Alternatively, the proxy form can be emailed to Boardroom at bsr.helpdesk@boardroomlimited.com.

6) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

7) Last date and time for lodging the proxy form is Tuesday, 18 November 2025 at 10.00 a.m.

8) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

9) For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:

   a. If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

   b. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
      i. at least two (2) authorised officers, of whom one shall be a director; or
      ii. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

10) For the purpose of determining a member who shall be entitled to attend and vote at the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at **13 November 2025** and only a depositor whose name appears on the Record of Depositors shall be entitled to attend the meeting or appoint proxies to attend and vote in his stead.

11) Pursuant to paragraph 8.29A(1) of the MMLR of Bursa Securities, all the resolutions set out in the notice of any general meeting will be put to vote by poll.

Notice of Annual General Meeting

EXPLANATORY NOTES:-

1. **To receive the Audited Financial Statements**

   Agenda item no. 1 is meant for discussion only as the provision of Section 340 of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting.**

2. **Ordinary Resolutions 6 & 7 on the Continuing in Office as an Independent Non-Executive Directors – Dato' Mohamed Suffian Bin Awang and Datuk Leong Kam Weng**

   The proposed Resolutions 6 & 7 are to seek shareholders' approval by way of a two-tier voting process on the retention of Dato' Mohamed Suffian Bin Awang and Datuk Leong Kam Weng who have served as an Independent Directors in the Company for a cumulative term of more than nine (9) years.

   The Board has assessed the independence of Dato' Mohamed Suffian Bin Awang and Datuk Leong Kam Weng and recommended both of them to continue to act as an Independent Non-Executive Directors of the Company based on the following justifications:-

   a. They fulfilled the criteria under the definition of Independent Directors as stated in the MMLR of Bursa Securities, and thus, they would be able to provide check and balance and bring an element of objectivity to the Board;
   b. They are familiar with the Company's business operations and is able to advise the Board diligently on business matters;
   c. They have devoted sufficient time and attention to their professional obligations for informed and balanced decision making by actively participating in board discussion and provided an independent voice to the Board; and
   d. They have exercised their due care during their tenure as an Independent Non-Executive Directors of the Company and carried out their professional duties in the best interest of the Company and shareholders.

   The Board considered Dato' Mohamed Suffian Bin Awang and Datuk Leong Kam Weng to be independent based on the above justifications and recommended both of them to be retained as an Independent Non-Executive Directors of the Company.

3. **Ordinary Resolution 8 on the Authority under Section 75 and 76 of the Act for the Directors to allot and issue shares**

   The Ordinary Resolution 8 proposed under item 9 of the Agenda seeks the shareholders' approval of a general mandate for issuance of shares by the Company under Section 75 and 76 of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

   At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

   The Company did not allot and issue any shares pursuant to the general mandate granted by the shareholders at the previous AGM.

Notice of Annual General Meeting

4. **Ordinary Resolution 9 on Proposed Renewal of Share Buy-Back Authority**

   The proposed Ordinary Resolution 9, if passed, will empower the Directors to purchase the Company's shares of up to ten per centum (10%) of the total number of issued shares of the Company at any point in time, by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM.

   For further information on Ordinary Resolution 9 please refer to the Statement to Shareholders dated 22 October 2025 accompanying the IAR of the Company for the financial year ended 30 June 2025.

5. **Ordinary Resolution 10 on Proposed Shareholders' Mandates for Recurrent Related Party Transactions of A Revenue or Trading Nature**

   The proposed Ordinary Resolution 10, if passed, will empower the Directors from the date of the 15th AGM, to deal with the related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations. These recurrent related party transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public and not to the detriment of the minority shareholders.

   This authority unless revoked or varied at a general meeting, will expire at the next AGM of the Company and subject always to provision (ii) of the resolution.

   For further information on Ordinary Resolution 10, please refer to the Circular to Shareholders dated 22 October 2025 accompanying the IAR of the Company for the financial year ended 30 June 2025.

Personal data privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **"Purposes"**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

Administrative Details of the 15th Annual General Meeting

Administrative Details for the Fifteenth Annual General Meeting ("15th AGM") of Pecca Group Berhad

Day and Date	:	**Thursday, 20 November 2025**
Time	:	**10.00 a.m.**
Meeting Venue	:	**Ballroom I, Main Wing** **Level 1, Tropicana Golf & Country Resort** **Jalan Kelab Tropicana** **47410 Petaling Jaya** **Selangor Darul Ehsan** **Malaysia**

Dear Valued Shareholders,

1. REGISTRATION

- Registration will start at **9.00 a.m.** at the Meeting Venue and will end at a time directed by the Chairman of the AGM.
- Please produce your original MyKad/Identification Card or Passport (for foreigners) at the registration counter for verification and registration. Only **ORIGINAL** MyKad/Identification Card or Passport will be accepted for the purpose of identity verification.
- Please ensure to collect your MyKad/Identification Card or Passport thereafter.
- Please note that no person will be allowed to register on behalf of another person even with the original MyKad/ Identification Card or Passport of that person.
- Upon completion of the registration process, you will be given an identification barcode wristband to enter the meeting hall. **Please be reminded that there will be no replacement in the event that you lose or misplace the barcode wristband.**
- Please vacate the registration area immediately after registration and proceed to the meeting hall.
- Please note that you will not be allowed to enter the meeting hall without wearing the barcode wristband.
- The registration counter will handle only verification of identity and registration. If you have any enquiries, please proceed to the Help Desk.

2. HELP DESK

- Please proceed to the Help Desk located in front of the Meeting Venue entrance for any clarification or enquiries.
- The Help Desk will also handle the revocation of proxy appointments.

3. ENTITLEMENT TO PARTICIPATE IN THE AGM

- Only members whose names appear on the Register of Members or General Meeting Record of Depositors as at **13 November 2025** will be entitled to attend, speak and vote at the AGM or appoint a proxy to attend, speak and vote on his/her behalf.

4. INTEGRATED ANNUAL REPORT ("IAR") 2025/CIRCULAR/STATEMENT

- The Company's IAR 2025 is available at the websites of the Company, https://peccagroup.com/investors/reports and Bursa Malaysia Securities Berhad, www.bursamalaysia.com.
- Should you require a printed copy of the IAR 2025/Circular/Statement, please request on the website of Boardroom Smart Investor Portal ("BSIP") at https://investor.boardroomlimited.com. Login to your BSIP account and select "INVESTOR SERVICES" on the left menu tab and go to "REQUEST FOR HARDCOPY", select "PECCA GROUP BERHAD – FIFTEENTH ANNUAL GENERAL MEETING" and fill up the required information and click "SUBMIT".
- Alternatively, you may submit your request via the Request Form enclosed herewith and email it to the Share Registrar at bsr.helpdesk@boardroomlimited.com. We will send it to you by ordinary post as soon as possible upon receive of your request. However, we hope you would consider the environmental and sustainability concerns, and refrain from requesting a printed copy of the IAR 2025.

Administrative Details of the 15th Annual General Meeting

5. APPOINTMENT OF PROXY, CORPORATE SHAREHOLDERS, AUTHORISED NOMINEE AND EXEMPT AUTHORISED NOMINEE

- A member of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
- A member shall be entitled to appoint not more than two (2) proxies to exercise all or any of his/her rights to attend, speak and vote at the same AGM on his/her behalf. If you are unable to attend the AGM and wish to appoint a proxy/attorney/authorised representative to vote on your behalf, please submit your proxy form in accordance with the notes and instructions stated in the notice of AGM.

APPOINTMENT OF PROXY

- You may submit your original proxy form to the office of the Share Registrar of our Company, **Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia** or by email to bsr.helpdesk@boardroomlimited.com, not less than **forty-eight (48) hours** before the time appointed for holding of meeting or adjourned meeting and in default the instrument of proxy shall not be treated as valid.
- The proxy form may also be lodged electronically via BSIP. For further information, kindly refer to **Table 1** below for proxy appointment via BSIP.

APPOINTMENT OF CORPORATE SHAREHOLDERS, AUTHORISED NOMINEE AND EXEMPT AUTHORISED NOMINEE

- For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at **11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia**. The certificate of appointment of authorised representative should be executed in the following manner:
  - (a) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
  - (b) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
    - (i) at least two (2) authorised officers, of whom one shall be a director; or
    - (ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- You may write in to bsr.helpdesk@boardroomlimited.com by providing the name of member, CDS account number accompanied with the certificate of appointment of corporate representative or proxy form (as the case may be) to submit the request latest by **18 November 2025** at **10.00 a.m.**
- Please provide a copy of the corporate representative's or proxy's NRIC (front and back) or passport, as well as his/her email address.
- The appointment of authorised representative may also be lodged electronically via **BSIP** at https://investor.boardroomlimited.com. For further information, kindly refer to **Table 1** below for proxy appointment via BSIP.

Administrative Details of the 15th Annual General Meeting

Table 1 – Proxy Appointment via BSIP:

Step 1 – Register Online with BSIP (for first-time registration only)	***Note: If you have already signed up with BSIP, you are not required to register again. You may proceed to Step 2.*** • Access the website at https://investor.boardroomlimited.com. • Click "**Register**" to sign up as a user. • Complete registration with all the required information. Upload and attach a softcopy of your Identity Card ("NRIC") (front and back) or Passport. Click "**Register**". • You will receive an email from BSIP Online for email address verification. Click on "**Verify Email Address**" from the email received to continue with the registration. • Once your email address is verified, you will be re-directed to BSIP Online for verification of your mobile number. • Click on "**Request OTP Code**" and an OTP code will be sent to the registered mobile number. You will need to enter the OTP code and click "**Enter**" to complete the process. • Once your mobile number is verified, registration of your new BSIP account will be pending for final verification. • An email will be sent to you to inform the approval of your BSIP account within one (1) business day. Subsequently, you can log in at https://investor.boardroomlimited.com with the email address and password filled up by you during the registration to proceed.
Step 2 – Appointment of Proxy	**For Individual and Corporate holders** • Log in to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. • Click "**Meeting Event**" and select from the list of companies "**PECCA GROUP BERHAD FIFTEENTH (15TH) ANNUAL GENERAL MEETING**" and click "**Enter**". • Click "**Submit eProxy form**". • For Corporate holders, please select the companies (if you are representing more than 1 company). • Enter your CDS account number and the number of shares held. • Select your proxy — either the Chairman of the meeting or an individual named proxy(ies). • Read and accept the General Terms and Conditions and click "**Next**". • Enter the particulars of your proxy(ies) and click "**Next**". • Indicate your voting instructions — **FOR** or **AGAINST** or **ABSTAIN**. If you wish to have your proxy(ies) to act upon his/her discretion, please indicate **DISCRETIONARY**. • Review and confirm your proxy appointment. Click "**Apply**". Download or print the eProxy form as an acknowledgement. **For Authorised Nominee and Exempt Authorised Nominee** • Log in to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. • Click "**Meeting Event**" and select from the list of companies "**PECCA GROUP BERHAD FIFTEENTH (15TH) ANNUAL GENERAL MEETING**" and click "**Enter**". • Click "**Submit eProxy form**". • Select the nominee(s)/company(ies) that you represent. • Download the file format for "**Submission of Proxy Form**". • Prepare the file for appointment of proxy(ies) by inserting the required data. • Upload the duly completed proxy appointment file. • Review and confirm your proxy appointment. • Download or print the eProxy form as an acknowledgement.

- If you wish to attend the AGM yourself, please do not submit any proxy form. You will not be allowed to attend the AGM together with a proxy appointed by you.
- If you have submitted your proxy form prior to the AGM and subsequently decided to attend the AGM yourself, please proceed to the Help Desk located in front of the Meeting Venue entrance to revoke the appointment of your proxy.

Administrative Details of the 15th Annual General Meeting

6. **REVOCATION OF PROXY**
If you have submitted your Proxy Form prior to the AGM and subsequently decide to appoint another person or wish to participate in the AGM yourself, please write in to bsr.helpdesk@boardroomlimited.com or via electronic means (as the case may be) to revoke the earlier appointed proxy(ies) at least forty-eight (48) hours before the AGM or proceed to the Help desk counter on the AGM day to do proxy revocation. On revocation, your proxy(ies) will not be allowed to participate in the AGM. In such event, you should advise your proxy(ies) accordingly.

7. **POLL VOTING**
The voting will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. All resolutions set out in the Notice of the 15th AGM will be put to a vote by way of poll. A Poll Administrator will be appointed to conduct the polling process and Independent Scrutineers will be appointed to verify the results of the poll.

8. **DOOR GIFT**
There will be distribution of door gift to members/proxies who participate in the AGM.

9. **ENQUIRIES**
If you have any queries prior to the AGM, please contact Boardroom during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Share Registrar
Boardroom Share Registrars Sdn. Bhd.
Tel : +603-7890 4700
Fax : +603-7890 4670
Email : bsr.helpdesk@boardroomlimited.com

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PROXY FORM
PECCA GROUP BERHAD

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

No. of ordinary shares held	CDS account no. of holder

I/We, ______________________________ (name of shareholder as per NRIC/Passport, in capital letters)
NRIC No./Passport No./Company No./Registration No. ______________ of ______________
______________________________ (full address)
being a *member/members of **PECCA GROUP BERHAD** hereby appoint(s):-

Full Name	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Contact No.		

* and/or (delete as appropriate)

Full Name	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Contact No.		

or failing *him/her, the Chairman of the meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the Fifteenth Annual General Meeting of the Company to be held at Ballroom I, Main Wing, Level 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on **Thursday, 20 November 2025, at 10.00 a.m.** or any adjournment thereof.

My/our proxy/proxies is/are to vote as indicated below.

Item No.	Agenda	Resolutions	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2025 together with the Reports of the Directors and Auditors thereon.			
		Resolutions	**For**	**Against**
2.	To approve the payment of Directors' fees and benefit payable to the Directors of the Company and its subsidiaries of up to RM583,500.00 from 21 November 2025 until the conclusion of the next Annual General Meeting of the Company.	Ordinary Resolution 1		
3.	To re-elect Datuk Teoh Hwa Cheng who is to retire pursuant to Clause 97 of the Company's Constitution and being eligible, has offered himself for re-election.	Ordinary Resolution 2		
4.	To re-elect Datin Sam Yin Thing who is to retire pursuant to Clause 97 of the Company's Constitution and being eligible, has offered herself for re-election.	Ordinary Resolution 3		
5.	To re-elect Dato' Seri Dr. Chen Chaw Min who is to retire pursuant to Clause 105 of the Company's Constitution and being eligible, has offered himself for re-election.	Ordinary Resolution 4		
6.	To re-appoint Messrs. Crowe Malaysia PLT as auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 5		
Special Business				
7.	Continuing in Office as an Independent Non-Executive Director – Dato' Mohamed Suffian Bin Awang.	Ordinary Resolution 6		
8.	Continuing in Office as an Independent Non-Executive Director – Datuk Leong Kam Weng.	Ordinary Resolution 7		
9.	Authority under Section 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares and waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016.	Ordinary Resolution 8		
10.	Proposed Renewal of Authority to the Company to Purchase its own Ordinary Shares.	Ordinary Resolution 9		
11.	Proposed Renewal of Existing and New Shareholders' Mandates for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 10		

(Please indicate with an "X" in the appropriate box against the resolutions on how you wish your proxy to vote. The proxy is to vote on the resolutions set out in the Notice of Meeting as you have indicated. If no specific instruction as to voting is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

* Strike out whichever is not applicable.
* If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "the Chairman of the Meeting or failing him/her" and insert the name(s) of the person(s) desired.

____
Signature/Common Seal of Shareholder

Date:

NOTES:-

1) A member of the Company entitled to attend and vote at this Meeting is entitled to appoint a proxy or attorney or other duly authorised representative to attend and vote in his stead. A proxy may, but need not be a member of the Company. A member may appoint any person to be his proxy. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
2) A member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA") may appoint at least one (1) proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
3) For a member of the Company who is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
4) Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
5) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote.
   a. In hard copy form
      In the case of an appointment made in hard copy form, the original proxy form must be deposited with the Share Registrar's office, Boardroom Share Registrars Sdn. Bhd. ("Boardroom") of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
   b. By electronic means
      The proxy form can be electronically lodged with Boardroom via Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Please follow the procedures set out in the Administrative Details for such lodgement. Alternatively, the proxy form can be emailed to Boardroom at bsr.helpdesk@boardroomlimited.com.
6) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
7) Last date and time for lodging the proxy form is Tuesday, 18 November 2025 at 10.00 a.m.

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AFFIX
STAMP

PECCA GROUP BERHAD
Registration No. 201001025617 (909531-D)
c/o Boardroom Share Registrars Sdn. Bhd.
Registration No. 199601006647 (378993-D)

Ground Floor/11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

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8) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
9) For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
   a. If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
   b. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
      i. at least two (2) authorised officers, of whom one shall be a director; or
      ii. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
10) For the purpose of determining a member who shall be entitled to attend and vote at the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at **13 November 2025** and only a depositor whose name appears on the Record of Depositors shall be entitled to attend the meeting or appoint proxies to attend and vote in his stead.
11) Pursuant to paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice of any general meeting will be put to vote by poll.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 22 October 2025.

PECCA
GROUP BERHAD

PECCA GROUP BERHAD
Registration No.: 201001025617 (909531-D)

No.1 Jalan Perindustrian Desa Aman 1A,
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