



PECCA

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GROUP BERHAD

**PECCA GROUP BERHAD**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER  
ENDED 30 SEPTEMBER 2022**

	Notes	Individual & Cumulative Quarter	
		Current Year Quarter	Preceding Year Quarter
		30.09.2022 RM'000	30.09.2021 RM'000
<b>Revenue</b>	A9	54,864	22,791
Cost of sales		(39,001)	(18,274)
<b>Gross profit</b>		15,863	4,517
Other Income		559	498
Selling and distribution expenses		(1,478)	(1,166)
Administrative expenses		(3,866)	(3,190)
<b>Profit before tax</b>	B5	11,078	659
Income tax expense	B6	(2,729)	(156)
<b>Profit for the period</b>		8,349	503
<b>Other comprehensive income, net of tax</b>			
Exchange difference on translation of foreign operation		(2)	16
<b>Total comprehensive income for the financial period</b>		8,347	519
<b>Profit attributable to:</b>			
Owners of the company		8,350	514
Non-controlling interest		(1)	(11)
<b>Profit for the period</b>		8,349	503
<b>Total comprehensive income for the financial period</b>			
Owners of the Company		8,349	522
Non-controlling interests		(2)	(3)
<b>Total comprehensive income for the period</b>		8,347	519
<b>Earning per share attributable to Owners of the Company <sup>(2)</sup></b>			
- Basic (sen)	B12	1.11	0.29
- Diluted		1.11	0.29

**Notes:**

(1) The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the explanatory notes attached to this report.

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

**PECCA GROUP BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
30 SEPTEMBER 2022**

	<b>Unaudited 30.09.2022 RM'000</b>	<b>Audited 30.06.2022 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	36,939	38,013
Right-of-use assets	19,884	20,036
Other investments	418	418
	<u>57,241</u>	<u>58,467</u>
<b>Current Assets</b>		
Inventories	27,533	28,983
Trade and other receivables	59,936	46,544
Contract assets	-	337
Prepayments	3,017	3,287
Amount owing by joint venture	200	-
Cash and bank balances	79,390	86,808
	<u>170,076</u>	<u>165,959</u>
<b>Total assets</b>	<u>227,317</u>	<u>224,426</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	135,702	135,702
Reserves	51,987	54,163
	<u>187,689</u>	<u>189,865</u>
Non-controlling interest	(74)	(72)
<b>Equity attributable to owners of the Company</b>	<u>187,615</u>	<u>189,793</u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	6,031	5,995
Borrowings	4,924	5,670
Lease Liabilities	229	49
Investment in joint venture	23	-
	<u>11,207</u>	<u>11,714</u>
<b>Current Liabilities</b>		
Trade and other payables	22,969	19,383
Borrowings	3,239	3,214
Lease Liabilities	-	320
Current tax liabilities	2,287	2
	<u>28,495</u>	<u>22,919</u>
<b>Total liabilities</b>	<u>39,702</u>	<u>34,633</u>
<b>Total equity and liabilities</b>	<u>227,317</u>	<u>224,426</u>
<b>Net assets per share attributable to owners of the parents (sen) <sup>(2)</sup></b>		
	<u>24.97</u>	<u>25.26</u>

**Notes:**

(1) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the explanatory notes attached to this report.

(2) Based on the number of ordinary shares in issue less Treasury Shares as at 30 September 2022 of 751,783,132 (30 June 2022: 751,783,132).



**PECCA GROUP BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR FIRST QUARTER ENDED 30 SEPTEMBER 2022**

	← Attributable to owners of the Company →					Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Revaluation Reserve RM'000	Merger Deficit RM'000	Treasury Shares RM'000	Translation Reserve RM'000				
<b>At 01.07.2022</b>									
- as previously stated	135,702	10,765	(60,822)	(60)	8	104,272	189,865	(72)	189,793
Foreign currency translation differences for foreign operations	-	-	-	-	(1)	-	(1)	(1)	(2)
Dividends to owners of the Company	-	-	-	-	-	(10,525)	(10,525)	-	(10,525)
Profit for the financial year	-	-	-	-	-	8,350	8,350	(1)	8,349
<b>At 30.09.2022</b>	<u>135,702</u>	<u>10,765</u>	<u>(60,822)</u>	<u>(60)</u>	<u>7</u>	<u>102,097</u>	<u>187,689</u>	<u>(74)</u>	<u>187,615</u>

Notes:(1) The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the explanatory notes attached to this report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

	<b>3 months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	11,078	659
Adjustments for:		
Depreciation of property, plant and equipment	1,044	1,170
Depreciation of right-of-use assets	152	99
Loss on disposal of property, plant and equipment	97	-
Impairment loss on trade receivable	21	-
Share of profit/(loss) of joint venture	23	-
Unrealised loss on foreign exchange	151	59
Interest expense	62	-
Interest income	(416)	(262)
<b>Operating profit before working capital changes</b>	<u>12,212</u>	<u>1,725</u>
<b>Changes in working capital:</b>		
Inventories	1,450	(1,293)
Trade and other receivables	(13,062)	(58)
Prepayments	270	(6,341)
Trade and other payables	3,409	(5,910)
<b>Cash from operations</b>	<u>4,279</u>	<u>(11,877)</u>
Interest paid	(62)	-
Income tax paid	(406)	(1,601)
<b>Net cash from operating activities</b>	<u>3,811</u>	<u>(13,478)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of plant and equipment	210	-
Acquisition of property, plant and equipment	(277)	(457)
Advances from/(to) a related company	(199)	262
Interest received	416	262
<b>Net cash used in investing activities</b>	<u>150</u>	<u>67</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of lease liabilities	(96)	(68)
Dividends paid	(10,525)	-
Proceeds from hire purchase and borrowings	(765)	-
<b>Net cash from/(used in) financing activities</b>	<u>(11,386)</u>	<u>(68)</u>
<b>Net decrease in cash and cash equivalents</b>	(7,425)	(13,479)
Effect of foreign exchange translation	7	(44)
<b>Cash and cash equivalents at beginning of the financial year</b>	<u>86,808</u>	<u>78,132</u>
<b>Cash and cash equivalents at the end of financial year</b>	<u>79,390</u>	<u>64,609</u>

## Notes:

(1) The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the explanatory notes attached to this report.



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### A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING

#### A1. Basis of preparation

The condensed financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Securities Berhad ("BMSB") Main Market Listing Requirements. These condensed financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. This report should be read in conjunction with the Company's audited financial statements for the financial year ended 30 June 2022.

The explanatory notes to this report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the financial year ended 30 June 2022.

The interim financial report is presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

#### A2. Significant accounting policies

The significant accounting policies and methods of computation adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2022. The Group has not applied in advance the following accounting standards (including the consequential amendments, if any that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

##### Effective for annual periods commencing on or after 1 January 2022

- Amendments to MFRS 3: Reference to the Conceptual Framework
- Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018 - 2020

##### Effective for annual periods commencing on or after 1 January 2023

- MFRS 17, Insurance Contracts
- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 17 Insurance Contracts
- Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction



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**A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING** *(continued)*

**A3. Auditors' Report**

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 30 June 2022.

**A4. Seasonal or cyclical factors**

The business operations of the Group are not materially affected by any seasonal or cyclical factors in the current quarter.

**A5. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group in the current quarter.

**A6. Changes in estimates**

There were no changes in estimates of amounts reported in prior periods that had a material effect in the current quarter.

**A7. Debt and equity securities**

Other than the above, there was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter. As at 30 September 2022, the number of treasury shares held were 216,868 ordinary shares at RM193,013.

**A8. Dividend paid**

There was no dividend paid during the financial period ended 30 September 2022.

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**A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING** *(continued)***A9. Segmental information**a) Operating segments

The Group's current business activities comprise of four segments namely automotive, healthcare, aviation and furniture segments. The Automotive segment focuses on styling, manufacturing, distribution and installation of automotive upholstery for car seat covers and accessories covers. The Healthcare segment focuses on the manufacturing and distribution of healthcare products. The Aviation segment provides services in manufacturing, repair, refurbishment, distribution and installation of aircraft seat covers and parts refurbishment. The Furniture segment provides for the manufacturing of leather furniture and supply of furniture seat covers. The breakdown of the Group's total revenue by business activities and products are as follows: -

	<b>Current and Cumulative Quarter Ended</b>	
	<b>30.09.2022</b>	<b>30.09.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>AUTOMOTIVE</u></b>		
Car seat covers		
- OEM <sup>(1)</sup>	37,295	9,352
- REM <sup>(1)</sup>	1,960	2,296
- PDI <sup>(1)</sup>	5,338	1,627
Sub-total for car seat covers	44,593	13,275
Leather cut pieces supply	4,578	1,754
<b><u>Others</u></b>		
- Sewing of fabric car seat covers	2,590	250
- Manufacturing of leather/PVC car accessories covers and miscellaneous seat covers, provision of wrapping and stitching services and supply of raw materials	1,714	900
	53,475	16,179
<b><u>OTHERS</u></b>		
Healthcare	855	6,485
Aviation	520	127
Furniture	14	-
<b>Grand Total</b>	<b>54,864</b>	<b>22,791</b>

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



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**A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING** *(continued)***A9. Segmental information** *(continued)*b) Geographical segments

The segment information in respect of the Group's geographical segments are as follows: -

	<b>Current and Cumulative Quarter Ended</b>	
	<b>30.09.2022</b>	<b>30.09.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	52,543	20,150
Rest of Asia	517	877
Europe	1,204	755
North America	323	528
Oceania	277	481
	<u>54,864</u>	<u>22,791</u>

**A10. Valuation of property, plant and equipment**

The Group has not carried out any valuation on its property, plant and equipment in the current quarter.

**A11. Capital commitments**

There was no authorised capital commitment.

**A12. Changes in the composition of the Group**

There were no material changes in the composition of the Group in the current quarter.

**A13. Contingent liabilities or contingent assets**

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

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

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



**A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING** *(continued)*

**A15. Related Party Transactions**

The Group's related party transactions for the current quarter and the cumulative quarter ended 30 September 2022 are as follows:

	<b>Current and Cumulative Quarter Ended 30.09.2022 RM'000</b>
Rental charges to related parties	
- Tint Auto (M) Sdn Bhd	54
- Rentas Health Sdn Bhd	67
Sale to related party	
- Rentas Health Sdn Bhd	855

*Note:*

*The related party is a company in which certain Directors and substantial shareholders of the Company have interests.*

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS**

**B1. Performance review for the current quarter compared with the preceding year corresponding quarter**

The Group achieved a stellar revenue of RM54.86 million and a profit before tax ("PBT") of RM11.08 million in the current quarter which translated to a soar of 141% and 1581% in revenue and PBT respectively as compared to the preceding year's corresponding quarter. The compelling increase in revenue and PBT was mainly contributed by higher sales volume achieved in the Automotive segment for the current quarter as compared to a shorter operating period same quarter last year due to Movement Control Order 3.0 enforced by Government from June 2022 to mid-August 2022.

The Group's revenue was driven by upholstery seat covers, leather cut pieces supply and sewing of fabric which contributed 81%, 8% and 5% of the total revenue respectively. OEM upholstery car seat covers segment contributed approximately 84% of the total revenue for car seat covers whilst REM and PDI contributed approximately 4% and 12% respectively.

In contrast, revenue generated from the Healthcare business is lower as opposed to the preceding year's corresponding quarter (Q1 FY2023: RM0.9 million; Q1 FY2022: RM6.49 million) mainly attributable to a diminishing in sales orders with the Government's relaxation rule in using face mask during the Covid-19 endemic phase. However, the Group is confident that the Healthcare segment will continue to be sustainable with the health-conscious mindset among the majority of society and continuously mutating Covid-19 viruses.

**B2. Financial review for the current quarter compared with the immediately preceding quarter**

	Current	Immediate	Changes	
	Year	Preceding		
	Quarter	Quarter		
	30.09.2022	30.06.2022	RM'000	%
	RM'000	RM'000		
Revenue	54,864	50,751	4,113	8%
Profit after tax	8,349	8,245	104	1%

For the current quarter under review, the Group's revenue increased by 8% to RM54.86 million from RM50.75 million as compared to the immediate preceding quarter on the robust demand in the Automotive segment of upholstery car seat covers.

Despite the increase in revenue, the profit after taxation in the current quarter improved marginally by 1% to RM8.35 million as compared to the immediate preceding quarter of RM8.25 million, primarily attributable to the increase of minimum labour wage to RM1,500 per month and labour shortages which the company have to opt for more costly sub-contract labour to cope with the increased volume. However, this is a temporary effect during the transition period while replacing the sub-contract labour with newly hired foreign workers to resolve the labour shortages issue.



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### B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS *(continued)*

#### B3. Prospects

The global economy is projected to grow at 2.9% in 2023, albeit moderately due to slower-than-expected growth in the advanced economies as well as emerging markets and developing economies.

In Malaysia, according to Bank Negara Malaysia, the economy expanded by 14.2% year-on-year ("y-o-y") in the third quarter, July-September 2022. This is supported by stronger domestic demand, a double-digit increase in the services, manufacturing and construction sectors as well as robust exports. The domestic economic activities have continued to normalise with the reopening of international borders.

The Ministry of Finance in its 2023 Economic Outlook Report indicated that the Malaysian economy is forecast to grow by 4% to 5% in 2023, following a projected growth of 6.5% to 7% in 2022. Growth in 2023 is expected to be mainly driven by wholesale and retail trade, with the manufacturing sector forecast to grow by 3.9%, supported by expansion in all subsectors.

##### Automotive segment

The Malaysian Automotive Association ("MAA") has upgraded its Total Industry Volume ("TIV") forecast for 2022 by 5% to 630,000 cars, underpinned by the pent-up market demand and the backlog orders in the industry. This is further boosted by the extension granted by the Government for the registration of cars exempted from sales tax until 31 March 2023.

All automotive brands anticipate fulfilling 500,000 car orders by end-March 2023. One of Pecca's top customers, Perodua, is projected will surpass its goal of 247,800 cars this year and set a new sales record in 2022.

The Group will continue strengthen its current original equipment manufacturer ("OEM") business and prepare to capture additional orders for new models with existing customers including Perodua, Nissan, Proton, Mitsubishi, Toyota and others. Pecca will enlarge OEM sales by focusing on the localisation of luxury brands, with the partnership with Malaysia Automotive Robotics and IoT Institute (MARii). This collaboration would allow Pecca develop new opportunities and offer more competitive products to global brands, while also improve its operational efficiency.

In 2022, the global market for vehicle seats was valued at US\$53.33 billion. The global growth is anticipated to pick up during the period of 2022-2023, increasing at a staggering 3.6% CAGR to reach US\$75.96 billion. Meanwhile, according to research from Fior Markets, the market for automotive seat covers is projected to increase at a CAGR of 4.5% from 2020 to 2028, from US\$63.4 billion to US\$90.16 billion.

The market for car seat covers is expected to expand significantly over the next 10 years with the advent of a variety of lightweight, sustainable, and durable materials. The interior design of cars will have to be aesthetically pleasing and comfortable. This expectation is driven by industry breakthroughs and the rising demand for customised automotive interior materials.

Pecca sees good prospects in the replacement and maintenance (REM) segment abroad, specifically in the US, Australia, the Middle East, New Zealand, Singapore, and Europe. Through overseas expansions, the Group aims to gain new clients and further increase the revenue contribution from the current 10% to beyond 20% in the REM segment in FY2023.



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### **B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS** *(continued)*

#### **B3. Prospects** *(continued)*

##### Aviation segment

Pecca views the aviation segment as one of its key growth pillars going forward, given the vast opportunities and attractive margins. This segment is not far off from the automotive industry, which is Pecca's stronghold. The opening up of borders and the resumption of international flights post-Covid 19 pandemic have further boosted the growth of this industry.

Certified by the Department of Civil Aviation (DCA) Malaysia, Pecca already provides refurbishment services and supplies upholstery seat covers to locally registered aircraft. Its clients include the Royal Malaysian Air Force, the military and private jets.

To further expand its aviation business, the Group is targeting to provide upholstery and refurbishment parts for both domestic and overseas registered commercial aircraft. The Group is currently working on obtaining certification from the European Aviation Safety Agency (EASA) for these services. This process should be completed by the first half of FY2023.

While this segment is more regulated and requires a fast turnaround time, it also offers more lucrative margins. Once the certification is obtained, the Group aims to offer and house its services in major airports across Malaysia.

##### Healthcare segment

Despite the lifting of face mask-mandate in Malaysia, the Ministry of Health has constantly advised the public to keep their face masks on as the Covid-19 variants mutate. The demand for masks is expected to rise again with new variants like BQ.1, BQ.1.1, XBB, and XBB.1, all derived from Omicron.

The Ministry has reminded the public that the nation is still in transition to the endemic phase, where the number of cases will fluctuate during this period. The neighbouring country, Singapore, is closely monitoring the situation, and it does not rule out reimposing safe management measures such as mask-mandate.

The Group is optimistic and expects the demand for PPE products to be sustainable, not only for medical-grade masks but also for other mask varieties, fashion face masks will continue to be a necessary part of daily life for health-conscious individuals. Currently, Pecca-produced facemasks, the "Callie" brand - are available in most of the major pharmacy chains in both east and west Malaysia.

The Group has continuously enhanced the quality and design of its face masks for better value for money and sustains as the preferred brand.

##### Overall

With the MAA upgrading its TIV forecast for 2022 to 630,000 cars boosted by the sales tax exemption, the Group is confident that the market demand for automotive seat covers will continue to grow for the rest of FY2023. Pecca will be a beneficiary of the market demand, as the re-opening of economic activity gathers momentum and business confidence is boosted.

Meanwhile, the Aviation segment will gain further strength in the second half of FY2023 once the EASA certification is obtained and the Healthcare segment will continue to be sustainable with the health-conscious mindset among the majority of society. The continuously mutating Covid-19 viruses would also support the demand for medical-grade face masks.

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS** (continued)**B4. Variance of actual profit from profit forecast and profit guarantee**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation or announcement.

**B5. Profit before tax**

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

	<b>Current and Cumulative Quarter Ended 30.09.2022 RM'000</b>
Interest income	(416)
Depreciation of:	
- Property, plant and equipment	1,044
- Right of use asset	152
Impairment loss on trade receivable	21
Loss on disposal of property, plant and equipment	97
Realised foreign exchange gain	(189)
Unrealised foreign exchange loss	151

Save as disclosed above, the other items as required under paragraph 16 of Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Securities are not applicable.

**B6. Taxation**

	<b>Current and Cumulative Quarter Ended 30.09.2022 RM'000</b>
Income tax expense	<u>2,729</u>

The effective tax rate for the cumulative quarter is the same as the statutory tax rate of 24%.

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS** *(continued)***B7. Status of Corporate Proposals**

On 31 October 2022, the Company's wholly-owned subsidiary, Pecca Leather Sdn. Bhd. ("PLSB") has entered into a Memorandum of Understanding ("MOU"), for the acquisition of 80.0% shareholding in PT Gemilang Maju Kencana ("GMK") for a purchase consideration of IDR 6,400,000,000 ("Proposed Acquisition") and upon completion of the Proposed Acquisition PLSB will inject additional capital approximate to IDR 2,400,000,000. GMK is a company associated with Indonesia's MPI Group of Companies, and it is involved in the business of upholstery leather wrapping and seat covers for the automotive industry in Indonesia.

**B8. Utilisation of Proceeds**

As announced on 23 April 2018, the Board of Directors has approved the variation of the utilisation of IPO proceeds amounting to RM6.60 million and the extension of time for utilisation of IPO proceeds amounting to RM2.62 million for another 24 months from 19 April 2018. After due deliberation, the Board intends to undertake the variations to vary the utilization of the proceed for working capital and extend the frame to another 24 months from 19 April 2020 to 19 April 2022. In view of the Covid-19 pandemic and Movement Control Order enforced by the Government in March 2020 until the endemic which 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.

The status of utilisation of the proceeds from the Public Issue of 47,796,000 new ordinary shares at RM1.42 as of 30 September 2022 is as follows:

<b>Purposes</b>	<b>Revised Expected Timeframe for Utilisation (from 19 April 2018)</b>	<b>Revised Amount (RM'000)</b>	<b>Actual Utilisation (RM'000)</b>	<b>Utilised %</b>
a) Working capital	-	27,859	(27,859)	100
b) Repayment of bank borrowings	-	17,100	(17,100)	100
c) Purchase of machineries for the production of car leather seat covers	Within 24 months	4,871	(4,871)	100
d) Construction of an additional storey of production floor area on the existing factory building	-	5,000	(5,000)	100
e) Opening of retail outlets	-	0	0	100
f) Establishment of market presence in Thailand	Within 24 months	0	0	100
g) Expansion of aviation business	Within 24 months	834	(834)	100
h) Estimated listing expenses	-	4,111	(4,111)	100
g) Purchase of raw material	-	5,350	(5,350)	100
i) Selling and distribution expenses of:				
- Retail	Within 24 months	2,000	(40)	2
- Thailand	Within 24 months	0	0	100
- Aviation	Within 24 months	745	(64)	9
<b>Total Public Issue Proceeds</b>		<b>67,870</b>	<b>(65,229)</b>	<b>96</b>

Note:

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

**PECCA GROUP BERHAD**

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

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS** *(continued)***B9. Group borrowings**

	<b>Current Quarter Ended 30.09.2022 RM'000</b>	<b>Audited 30.06.2022 RM'000</b>
<b>Short term borrowings</b>		
<b>Secured:</b>		
Banker Acceptance	1,983	2,584
Hire purchase	25	-
Term loan	630	630
	<u>2,638</u>	<u>3,214</u>
<b>Long term borrowings</b>		
<b>Secured:</b>		
Hire purchase	12	-
Term loan	5,513	5,670
	<u>5,525</u>	<u>5,670</u>
	<u>8,163</u>	<u>8,884</u>

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

As at 30 September 2022, the Company has extended corporate guarantees amounting to RM8.16 million to financial institutions for banking facilities granted to the subsidiary. The financial impact of the guarantees is immaterial as the subsidiary concerned is in positive financial standings to meet its obligation and when they fall due.

**B10. Material litigation**

The Group is not engaged in any material litigation either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the Directors do not have any knowledge of any proceeding pending or threatened or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group, as at the date of this report.

**B11. Dividend Proposed**

The Directors do not recommend any interim dividend to be paid for the financial period ended 30 September 2022.





**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS** *(continued)*

**B12. Earnings Per Share ("EPS")**

a) Basic earnings per share

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

	<b>Current and Cumulative Quarter Ended 30.09.2022 RM'000</b>
Profit attributable to equity holders	<u>8,350</u>
Weighted average number of ordinary shares in issue excluding Treasury Shares	<u>750,340</u>
Basic earnings per share (sen)	<u>1.11</u>
Diluted earnings per share (sen)	<u>1.11</u>

(b) Diluted earnings per share

There are no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the financial period ended 30 September 2022.

**B13. Authorisation for Issue**

The interim Financial Statements were authorised for issue by the Board of Directors on 23 November 2022.

**BY ORDER OF THE BOARD**

Kuala Lumpur  
23 NOVEMBER 2022